# Daily Report

# Latin America

FBIS-LAT-93-041
Thursday
4 March 1993

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*FBIS-LAT-93-041* *4 March 1993*

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## Cuba

### Ambassador Rejects Special Rapporteur Report

*FL0303164993 Havana Radio Rebelde Network in Spanish 1000 GMT 3 Mar 93*

[Text] The report by Carl-John Grott, the so-called special rapporteur on human rights in Cuba, was rejected by Jose Perez Novoa, the Cuban ambassador, before the international organizations accredited in Geneva. The Cuban diplomat told the 49th session of the UN Human Rights Commission [UNHRC] that the rapporteur's document does not have political or moral grounds because it is essentially based on information collected outside Cuba. Likewise, Perez Novoa affirmed that Cuba has not accepted nor will ever accept being treated like countries where there is a truly persistent problem of flagrant and massive human rights violations, in order to fulfill the goals of the well-known political vendetta of the United States against Cuba. Perez Novoa added that Grott's report lacks impartiality and objectivity because in it, he mixes together, among the consulted sources, government organizations of acknowledged prestige and credibility with small annexationist groups in the service of Washington.

Furthermore, diplomatic sources in Geneva pointed out Cuba's contributions to the subjects discussed at the 49th session of the UNHRC. The sources added that Cuba has made important contributions to the approval of resolutions on foreign debt, its causes and consequences; respect for human rights; materialization of economic, social, and cultural rights in all countries; and racism and discrimination, among others.

### Commentary Notes Human Rights Propaganda Issue

*FL0303203293 Havana Radio Rebelde Network in Spanish 1255 GMT 3 Mar 93*

["Our Opinion" commentary by Ariel Larramendi Villafane]

[Text] The Nazis in Hilter's Germany were experts in the use of the so-called black propaganda. So much so that many of the principles created by them were adopted and improved by the current imperial centers. One of those principles embraces the idea that a lie becomes a truth when it is repeated many times; at least long enough to influence public opinion. If Goebbels had had the powerful propaganda mechanism and the world information system controlled by the Western transnationals in his times, Nazi Germany would have been a model nation or a nostalgic dream in the minds of some people.

I mention this because ever since the concept of human rights arose in current world politics, it immediately became another weapon in the arsenal of imperialism against our country. What they could not achieve in their undercover or declared war against Cuba, they tried to achieve through discrediting Cuba in the international arena.

Any government, in its desire to ingratiate itself with our age-old enemy would launch its diatribe on Cuba's disrespect for human rights. Some of them repeated from different cardinal points speeches that had been prepared for them by the specialized sections on psychological wars of the U.S. Central Intelligence Agency. For others, disseminating rumors became a habit. Other opportunists, who were beginning a political career, would speak rubbish against the human rights situation in Cuba. The events in the Soviet Union and the socialist bloc and their problems in this area of human rights, spurred to unbelievable levels the accusations against Cuba.

Each year at the Human Rights Commission meetings in Geneva, Cuba has had to fight an immense battle against propaganda in the style of Goebbels: disinformation and ignorance of what truly happens on this island. Countless times, Cuba has had to repeat that the words—missing, tortured, neglected, and discriminated—are unknown to the Cuban people. It must repeat countless times that the stick with which the rich nations of the North are measured should not be the same with which you measure the countries of the extremely dispossessed nations of the South, which is an essential human right.

Yesterday, Cuba rejected, because it lacked political and moral value, the report of the so-called special rapporteur of the Human Rights Commission in Geneva, whose mandate was originated by the United States' political vendetta against Cuba. Here is the news: On 24 February, the Cuban people also voted on the human rights situation in our fatherland. It is as simple as that.

### Power Outages Affect All Havana Municipalities

*FL0303130093 Havana Radio Ciudad de la Habana in Spanish at 1148 GMT at 3 Mar 93*

[Text] Emergency power outages began in areas of all Havana municipalities today at 0500. This is due to a deficit in the generation capacity of the national electric system which since yesterday has been generating electricity below demand. As turbine generators are restarted, it will be possible to reduce this critical situation which Havana's electric service is experiencing.

### Further on Outages

*PA0403042993 Mexico City NOTIMEX in Spanish 0020 GMT 4 Mar 93*

[By Juan Balboa]

[Text] Havana, 3 Mar (NOTIMEX)—In the past three days a shortage of oil in Cuba alarmed the electricity and transportation industries and most priority programs of the government, and further unsettled the daily life of the population. Electricity disappeared from most

Cuban homes for long periods (up to 10 hours each day) four days after the population participated massively in parliamentary elections (99.6 percent cast votes).

Huge crowds were seen again beginning 1 March at urban bus stops trying to board a miraculous bus that would carry them home or to work. Desperate shouts by people heading to work and the hysterical complaints of students and housewives were common at most of the main stops where buses were absent. A worker spends an average of six hours traveling between home and work and students spend a similar amount of time reaching school.

The dazzling city of Havana is in total darkness. The main neighborhoods of the capital have been without electricity for more than 10 hours a day since 1 March. Refrigerators cannot preserve what little food people manage to obtain in state warehouses, especially tubers, or on the black market. The inability to watch a Brazilian soap opera called "Anything Counts," which has captivated the population, is the source of the strongest rage.

On 3 March, the Electric Union, the company in charge of generating electricity for the entire nation, admitted to the media that blackouts have intensified due to "limitations in supplying fuel to thermoelectric plants." It admitted actual electricity interruptions since 1 March throughout the island surpassed severe programmed interruptions. The government of Fidel Castro had announced a schedule of nine-hour blackouts throughout the week, except on Saturdays and Sundays, for this month.

The population, which is still experiencing the effects of the whirlwind of the 24 February elections, started the month with daily 10-hour blackouts that have been maintained over the past three days.

Three of the main thermoelectric plants—Antonio Guiteras, 10 October, and Santa Cruz—are about to be paralyzed by a lack of fuel needed to produce electricity. Cuba needs more than 10 million tons of oil each year to keep its productive sector, especially the generation of electricity and the sugar cane harvest, active. The island received from the former Soviet Union 13 million tons of crude each year until 1989. Last year the Cuban Government was able to purchase only 6 million tons of crude on the world market.

The lack of crude disturbs daily life on the island and makes it ever more difficult to implement priority government programs to break its dependency on foreign countries. This year the country expects to receive more than 6 million tons of oil, mostly through the barter of sugar for crude with Russia and Iran.

Cuba signed a commercial agreement with Moscow in December for a supply of hydrocarbons for the island beginning in January and will sign a bilateral agreement with Iran in April.

An official source said the shortage of hydrocarbons in early March is due to a delay in Russian petroleum shipments to the island.

### * Customs Office Director on Crime, Modernization

*93CA0059A Havana BOHEMIA in Spanish No 5, 29 Jan 93 pp 30-33*

[Interview with Director of Customs Orlando Bello Garcia by Juan Carlos Rivera; place and date not given; first four paragraphs are BOHEMIA introduction]

[Text] The 2,000 officers of the General Customs Office of the Republic (AGR) perform their duties on every sea, air, and land border of our island, and in direct contact with travelers and goods. This institution, which will be celebrating its 30th anniversary when this issue hits the newsstands, is the entity charged with carrying out the state's customs and tariff policy. In addition, within the areas of its jurisdiction, it is expected to handle matters related to the trafficking of goods, foreign visitors, and the transportation of such goods and visitors.

The AGR takes steps to prevent, detect, and crack down on fraud in foreign trade transactions, smuggling, and other activities that threaten the domestic economy, national security, and law and order in the country. Within its sphere of influence, it promotes the application of measures to facilitate trade and the movement of travelers.

In the wake of an international revision of traditional and contemporary customs practices, the AGR has launched an effort at self-improvement, backed by the recommendations of the top institutions of the party and the government. In other words, it is modernizing itself and adapting to new circumstances.

To learn more about this arduous task, future prospects, and what has been accomplished in the past year, we spoke with Orlando Bello Garcia, head of the General Customs Office of the Republic. In an exclusive interview granted to BOHEMIA, he agreed for the first time ever to discuss his concerns and anxieties in public.

#### New Times, New Language

[Rivera] What relationship is there between the work of Customs and the crackdown on crime? Is that as essential a part of your work as everyone says?

[Bello Garcia] The AGR has two major focuses: As an agency of inspection and oversight, it is concerned with the country's economy and economic protection in general. Its other focus is also a broad and very important one: the battle against criminal behavior in the field of trade, in the spheres of maritime, postal, and air transportation. By applying different methods and procedures and making use of our technical facilities, we are able to confront fraudulent activities in these areas. The people are aware of the most obvious ones, which range from illegal trafficking in currencies and drugs to attempts to

leave the country and illegally remove goods that are part of our national heritage, as well as flora and fauna.

An additional task that we face, which may not be among the traditional duties of other customs offices, is to prevent the movement of weapons, explosives, and incendiary substances. We also contribute to the fight against all threats to human, animal, and plant health (that is, keeping viruses and diseases out of the country). Through various regulations issued by the ministries, we work in conjunction with them to make sure established provisions are not violated, and we do our utmost to prevent that from happening.

In the commercial area, we are only just beginning, as the saying goes. Because trade has opened up in our country and we are now applying a tariff policy, an effort has begun to protect market operations. Although collection is not such a big job right now, it will be in the future, and it will make major contributions to the state budget. As everyone knows, those revenues will be reinvested in social and state spending.

The implementation of the tariff policy in 1991 brought us in line with international practice. We have been members of GATT (which regulates world trade) since 1948, but we have been a little out of touch with that situation because we did not go by its rules (that is, general tariffs, most favored nation tariffs, and certain requirements to make sure trade is conducted on similar terms).

To revive those instruments, Decree-Law 124 was promulgated in our country. Under this legislation, the system of declaring goods in state and private enterprises is being implemented. In one respect we were lucky: The adaptation of our customs system to the new international language has been accompanied by technological modernization. Thus, we have documents, procedures, and rules that are in line with the most modern practices, and we are prepared for any attempt at integration that may take place in Latin America or elsewhere, given that any process of this magnitude almost always begins with the elimination of tariffs and tariff unification on the borders of every country.

When we devised our tariffs, we followed the system that is now in use in more than 60 countries. This does not mean that everything is fully developed; some mechanisms still need to be consolidated.

The trade policy of the past involved packages and volumes at the wholesale level, but often proper consideration was not given to costs, expenses, profitability, and earnings. When the policy affecting mixed enterprises and economic associations opened up, given the need to trade on the world market in hard currencies, everything took on a new connotation. Now we take a much closer look at what has been spent, how much things are worth, etc., to determine whether a business is really advantageous or not. This policy is one objective of Customs, along with other agencies, including the Ministry of Foreign Trade (MINCEX), the State Committee on Finance, and the committees on statistics and prices.

These elements and others, such as customs duties, wholesale prices, and the like, must converge in the analysis of how profitable and efficient we are and how much we are earning. These tests will tell us how efficiently the economic side is working to provide the resources the people need. Customs is involved in every aspect here.

In connection with these commercial transactions, there may be many violations and irregularities, and it is Customs' job to detect them. The trafficking of goods gives rise to other movements and transactions. For example, these days drug trafficking is carried out surreptitiously along with the transport of other goods. Large amounts of currency are also traded in an effort to launder money in commercial transactions. This is why it is so important for us to know what firms we are doing business with, who represents them, where they come from, where their headquarters are located, who their suppliers are, etc. We are in that phase of consolidation; at Customs, business firms are what we work with.

**Professionalism: Golden Rule**

[Rivera] I suppose that these efforts involve an increase in the educational and professional level of Customs personnel.

[Bello Garcia] The complexity of our current tasks requires more professional training. We began by defining the basic educational levels required for carrying out our work. In our case, in the area concerned with defending the economy, the minimum requirement is a *licenciatura* degree in economics; in the area of enforcing institutional and government regulations, the minimum requirement is a *licenciatura* degree in law. In 1989, we had 19 customs inspectors who met these standards; now, we have almost 150. For example, all of the personnel in the unit that investigates foreign companies have university degrees.

**The Border and Fighting Crime**

[Rivera] Can you give our readers any information about the results of your surveillance efforts in the past year?

[Bello Garcia] Drug trafficking is not a problem for us yet. I think that in the future, as the country acquires more money, there will be a more attractive market for drug traffickers here. Today, all we have are drugs that wash up on our shores, which unscrupulous people try to sell to local residents or tourists. In 1992, about 1,500 kg of cocaine and 1,700 kg of marijuana were seized and incinerated, and seven cases of drugs being brought in for personal use (five of marijuana and two of cocaine; six by air and one through the mails) were discovered. In our efforts in this regard, the flow of narcotics in and out of this country is a very important matter, because we want to avoid any accusation or campaign by the enemy

to try to turn this situation into a political problem. This does not pose a problem to Customs on the borders today, but we have already taken steps to ensure that in the future, with the growth of tourism and its infrastructure, this type of business will not take us by surprise. To that end, we are pursuing a program to update the use of dogs in sample inspection. Only in this way can we make the most rational use of the dogs trained to aid us in this battle. We also intend to purchase the most modern X-ray equipment, which will enable us to detect hidden shipments.

As for the battle against fraud and smuggling, the most important thing Customs needs is information. That explains why we are developing an information system with a data base that is linked, to the extent possible, with international customs records. These records, which contain information on individuals, modus operandi, the origin and nature of flights, criminal records and past histories, will enable us to make better selections of inspection targets and discover more perpetrators. Last year we seized about 500,000 [currency not given] in illegal currency.

It is in the so-called encounters between local residents and relatives and tourists from the United States that we find the greatest incidence of illegal currency trafficking. There are people known as *maleteros* who engage in the business of transporting money and packages. In 1992, 350 cases of such trafficking were discovered, and 70 of the so-called *maleteros* were caught.

Attempts to illegally remove goods that are part of the national heritage (china, jewelry, museum-quality items and things that are of historic value, paintings by famous artists, statuettes, Indian pottery, etc.) have been on the rise throughout the world, and in our country as well. We have been working in conjunction with national and provincial historical offices, and we are trying to persuade private collectors or individuals who have these items in their homes to register them with those offices, so that when something is stolen, circulars can be issued and the item can be found. Last year we discovered 70 such cases; the illegal items were confiscated from the perpetrators, who were turned over to the authorities for prosecution.

In addition, we also devote resources and efforts to detecting the illegal removal of Cuban flora and fauna. Parrots, live or stuffed crocodiles, coral snakes, tomeguins, and negritos are much sought-after by foreign and national dealers and plunderers who derive personal gain from this "trade."

In short, I could tell you a lot about our surveillance efforts and about violations of import regulations and the laws that allow people traveling abroad to bring in certain quantities of goods. In the area of imports, we are currently revising all decrees, to make them not more restrictive, but more flexible.

[Rivera] Many people wonder what happens to all the things seized by customs personnel.

[Bello Garcia] We sell them to the Ministry of Domestic Trade at very low prices. That ministry is responsible for marketing them. The National Bank of Cuba gets the jewels, the money goes directly into the national budget, and the accessories and spare parts are turned over to the State Committee for Technical Material Supply (CEATM). That is done in every case, without exception.

These goods are sold by Domestic Trade at the stores intended for people who are traveling abroad, and when the parallel market existed, they were also sold there. Domestic appliances are usually given to daycare centers, rest homes, and hospitals. They are put to good social use. Cargo that is abandoned or left in warehouses too long or seized for some other reason is turned over to the National Institute for State Reserves.

I should point out that, as a customs service, we are not interested in seizing goods. We wish we did not have to do it, because that would mean that there were no violations and that everything was going well.

## Dominica

### Minister on Expanding Trade Relations With Cuba

*FL0303225593 Bridgetown CANA in English 2010 GMT 3 Mar 93*

[Text] Roseau, Dominica, March 3, CANA—Dominica and Cuba are discussing possibilities for expanding trade relations, External Affairs Minister Brian Alleyne said Wednesday. Alleyne met here this week with Cuban ambassador to the Eastern Caribbean, Alvaro Cabasas, [name as received] and he said the Cuban envoy expressed his country's desire to improve trade relations with Dominica.

"Cuba already has some trading relations with one or two companies in Dominica and he (Cabasas) was pursuing these contacts," Alleyne told CANA. Dominica Coconut Products Ltd., the largest manufacturer on the island, has found an export market for its soap products in Cuba.

Following the collapse of communism in the Soviet Union and Eastern Europe, Cuba has been looking for new suppliers of goods it previously obtained from these sources. Alleyne said his discussions with the Cuban envoy also covered the possible establishment of diplomatic relations. No decision, however, has been taken.

Cuba is also reported to be interested in joint tourism initiatives with Dominica. Cabasas also met with Tourism Minister Charles Maynard to discuss possibilities in this area.

## Grenada

### Finance Minister Dismissed Following Conflict

*FL0403133893 Bonaire Trans World Radio in English 1100 GMT 4 Mar 93*

[Text] Grenada's minister of health, Michael Andrew, has been relieved of his duties. The dismissal comes two weeks after a controversial war of words between Mr. Andrew and the minister of women's affairs, Joan Purcell, in Parliament.

Two newspaper journalists are contemplating legal action against Mr. Andrew who they say punched one of them in the face when they tried to take his picture. Mr. Andrew has denied doing that, but says he will seek legal advice in the meantime.

## Haiti

### Parties Launch Operation To Oust Bazin Government

*FL0303170893 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 3 Mar 93*

[Text] The political parties struggling against the Marc Bazin government announced on 2 March they will stage a series of peaceful demonstrations to force the Marc Bazin government to resign. During a meeting with journalists on the morning of 2 March, representatives of political parties—including the National Agricultural and Industrial Party, the National Reconstruction Movement, the National Front for Change and Democracy [FNCD], and so on—called on the people for a peaceful mobilization to force the departure of Marc Bazin and the return of President Aristide. These political parties, which would not let the press interview them during the meeting, did not say how they would undertake those peaceful activities.

Rene Theodore, who read the declaration, stated that they have decided to launch the "Operation Respect" movement not only because the Senate has dismissed the current government but also because the entire country and all institutions are in a state of collapse:

[Begin Theodore recording, in French] In view of the nearly total failure; in view of the increased poverty of the people, the exhaustion of middle class reserves, the economic collapse of small and medium shopkeepers and the regular business sector; in view of the refusal of de facto Prime Minister Marc Bazin to obey the Senate censure motion dismissing him on 2 February; in view of the refusal of the dismissed prime minister to answer the 17 February ultimatum asking him to resign; in view of the extreme urgency to end the de facto regime and to restore constitutional order; in view of the extreme necessity of opening the path to national concord, we political parties, people's and union organizations, student and small [word indistinct] associations launch "Operation Respect" to force—by every peaceful means within our reach—the departure of Marc Bazin and the installation of an open-minded concord government. [end recording]

The FNCD told the Bazin government that 1 March was the deadline for his resignation. It announced it would otherwise undertake a series of political actions. The FNCD also called for concerted action with other political parties to form a national concord government.

### Former Aristide Minister Calls for Mobilization

*FL0303233593 Port-au-Prince Radio Metropole in French 1700 GMT 3 Mar 93*

[Text] Renaud Bernardin, Father Aristide's former minister of planning and external cooperation and one of the leaders and founders of the Open the Gate Party, called for a mobilization against the government of Bazin and the return of the ousted president in a 2 March editorial of the first edition of the Open the Gate Party's information magazine.

### Romelus Reports Numerous Youths Arrested in Jeremie

*FL0303235193 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 3 Mar 93*

[Text] According to the news, which Willy Romelus has confirmed to the AFP, it seems that a young man [Patrick Bourdeau] was arrested in Jeremie by soldiers on 1 March. Apparently, they have severely beaten him while in custody. According to Romelus, who hopes that the justice department will release Bourdeau (?by) the legal deadline, a priest, who visited Patrick Bourdeau in prison on 2 March, saw that he could not sit or even walk. The legal deadline means he should not be kept in jail for more than 48 hours.

The Jeremie bishop pointed out that many youths were arrested on the morning of 2 March. They were arrested by the military who manhandled them and then took them to jail. The youths were accused of burning tires on the night of 1 March. Romelus further reported that many of them have been released, however, he did not say whether all the youths, who were arrested, had been released. Romelus stated: The Army said I am the one who had those tires burned; but that is not true. He accused soldiers of being responsible for that. He also said that no one can go out after 2000 and that only the military can move around in Jeremie.

Several OAS and UN members, that is, members of the civilian mission, took Romelus to Jeremie after he was hit several times on 25 February while he was leaving the Port-au-Prince Cathedral. A group of armed civilians hit him after he had celebrated a mass, which turned into a political demonstration in favor of deposed President Jean-Bertrand Aristide. Romelus has accused civilians working as police auxiliaries of attacking him. For their part, OAS/UN civilian mission officials have questioned a group of ruffians, who tried to thwart the police and attack Romelus in front of the Port-au-Prince Cathedral.

## PRI Candidate Wins Guerrero State Governorship

*PA0403044293 Mexico City XHTV Television Network in Spanish 0200 GMT 4 Mar 93*

[Report by Pablo Martin Obregon]

[Text] Ruben Figueroa, the Institutional Revolutionary Party [PRI] candidate for governor, received a statement certifying his victory from the Guerrero State Electoral Council. Council President Israel Soberanis Nogueda announced the final results of the elections.

[Begin Soberanis recording] National Action Party: 9,357 votes; PRI: 228,191 votes; Popular Socialist Party: 3,201 votes; Party of the Democratic Revolution: 98,393 votes; Cardenist Front for National Reconstruction Party: 6,000 votes Authentic Party of the Mexican Revolution: 4,684 votes: Revolutionary Workers Party: 2,534 votes; Guerrero Citizens Party [Partido Civico Guerrerense]: 1,874 votes; Mexican Democratic Party [Partido Democrata Mexicano]: 1,968 votes; Guerrero Ecologist Party [Partido Ecologista de Guerrero]: 991 votes; Guerrero Progessive Party [Partido Progresista de Guerrero]: 2,075 votes. [end recording] After receiving the statement certifying his victory, Mr. Figueroa commented on the electoral process in Guerrero.

[Begin Figueroa recording] It was a very pleasant and interesting experience for me. It took place in a full context of order and legality. It was an effort on the part of Guerrero residents to show the people that we can hold peaceful, orderly elections. That is how the elections were held. Not a single incident has been reported. Now the process has ended and the winner has received a certificate of victory. [end recording]

The Guerrero State Council will be installed on 22 March as an electoral college to validate the results.

## Attorney General Admits Problems, Possible Infiltration

*PA0303215793 Mexico City Canal 13 Television Network in Spanish 1300 GMT 3 Mar 93*

[Report by Enriqueta Luna]

[Text] Attorney General Jorge Carpizo McGregor on 2 March made an interesting political statement, the likes of which our country has not heard in a long time. He specifically and clearly recognized that there are critical technical and administrative problems in the Federal Judicial Police [PJF]. He presented an unequivocal picture of the problems afflicting the Attorney General's Office [PGR]. He talked about corruption problems and said drug traffickers have infiltrated the PGR.

Carpizo announced the PGR is currently conducting a preliminary investigation of certain PGR and PJF agents who are reportedly involved in drug trafficking. The attorney general outlined the main problems afflicting his agency. He said the PJF is not technically trained and in many cases is poorly equipped to fight crime.

Carpizo has been in the post for only a few months yet he has already noticed that a large number of people listed on the PGR payroll only show up to collect their paychecks. Those individuals are either on commission in other public agencies or working for private citizens.

[Begin Carpizo recording] Files on preliminary investigations and trials have been lost due to poor organization and corruption. [end recording]

Carpizo said the National Directorate for Expert Services [Direccion General de Servicios Periciales] equipment is obsolete, it has few experts, and there are no specialists in the area. The PGR has seized drugs worth three times the country's foreign debt within the last four years. Some of its operations failed because information was leaked to the criminals.

Regarding the problems being faced by his office in its efforts to guarantee that the PGR fulfills its duties, he said the agency does not even have an inventory of all its assets, some of which are presumed missing. The number of unsolved cases is currently 86,241, the attorney general said, adding that the battle against crime will be stepped up despite all of this.

## World Bank Grants $1.5 Billion Development Loan

*PA0203213893 Mexico City Canal 13 Television Network in Spanish 1300 GMT 2 Mar 93*

[Text] World Bank President Lewis Preston announced that a $1.5 billion loan will be awarded to Mexico to improve education and environmental development programs. Preston made the announcement in Monterrey City, Nuevo Leon State following a meeting with state officials and businessmen as part of his four day visit that began on 28 February. Mr. Preston will also visit Mexico City. Preston said the loan will be disbursed in 1993 to finance medium and long-range projects. Preston has meetings scheduled with President Salinas, the secretaries of education, commerce, industrial development, and social development, and Mexico City Mayor Manuel Camacho Solis.

## El Salvador

### President on Truth Commission Witnesses' Security

*PA0303230293 San Salvador Radio Farabundo Marti Network in Spanish 1800 GMT 3 Mar 93*

[Text] President Alfredo Cristiani recently sent a letter to Butrus Butrus-Ghali, UN secretary general, in which the president said that the Salvadoran Government cannot ensure the security of the witnesses cooperating with the Truth Commission. Press agency reports from New York report Cristiani's letter read that the security of witnesses, whose identities are confidential, cannot be guaranteed.

During the Truth Commission's investigation, thousands of Salvadorans gave information to the commission concerning cases of violent treatment during the civil war. Likewise, national and international humanitarian organizations gave the commission thousands of files on unresolved cases, many involving Armed Forces and former security corps personnel.

In his letter, Cristiani also asked Butrus-Ghali not to reveal the names of the people responsible for human rights violations. According to the Salvadoran president, the publication of these names could be used by radical groups to destabilize the country. Diplomatic sources have said that the Truth Commission report states Defense Minister General Rene Emilio Ponce was directly involved in the El Mozote massacre, in which more than 1,000 peasants were killed.

### CDHES Condemns President's Remarks

*PA0403003193 San Salvador Radio Farabundo Marti Network in Spanish 1800 GMT 3 Mar 93*

[Report by Guillermo Rivera]

[Text] During a news conference on the morning of 3 March, the nongovernmental Salvadoran Human Rights Commission [CDHES] condemned President Cristiani's request not to reveal the Truth Commission's report or the names of the people mentioned in the report, which is to be revealed on 15 March. CDHES leader Celia Medrano stated:

[Begin Medrano recording in progress] ...that the Truth Commission report the results of its investigations and give specific names and also to avoid the report being publicly revealed on 15 March. Such government attempts have been made concurrent with the attempts by high-ranking military officers, who simply know they will be negatively affected by the report's results. Such attempts are publicly endorsed by the sectors that know they will be mentioned in the Truth Commission report. Those sectors have [words indistinct] their responsibility in the serious human rights violations in our country. Once again they are attempting to cheat and abuse the rights of the victims in El Salvador [words indistinct]. Those sectors use their political and military strength against the [word indistinct] of the report.

We would like to point out clearly that, regardless of who will be damaged by the Truth Commission report, our institution believes the report must be made known to the entire Salvadoran society. It is a right earned by the victims and by our society in general. To attempt to use political arguments and blackmail [words indistinct] to avoid the presentation of the truth is an attempt to ridicule the pain and suffering of the victims and society [words indistinct] entitled to the truth. [end recording]

Medrano also said CDHES does not agree with granting amnesty to the people mentioned in the Truth Commission report. She did not deny, however, that there is a possibility amnesty will be granted to the officers after the 1994 elections and under another government administration. Medrano added that it was incredible that Alfredo Cristiani, the president of the Republic and commander of the Salvadoran Armed Forces, cannot guarantee the security of the people who cooperated with the Truth Commission's investigation.

### FMLN Leader Villalobos Arrested in U.S.

*PA0403030693 San Salvador Radio Farabundo Marti Network in Spanish 1800 GMT 3 Mar 93*

[Text] Farabundo Marti National Liberation Front, FMLN, sources reported on 3 March that FMLN leader Joaquin Villalobos was arrested in a confusing incident in the United States on 2 March.

The source said Villalobos was arrested at the Houston airport during a stopover on his scheduled trip to Holland. The FMLN leader was traveling without a U.S. visa. A computer check by U.S. immigration officials revealed the former guerrilla was listed as a high-security risk.

Villalobos was incarcerated and told he had two options: face a trial in the United States or be deported to El Salvador. FMLN spokesman Juan Ramon Medrano reported that Villalobos will not be deported out of the United States. He added that Villalobos was finally allowed to continue his trip to Holland after several efforts on his behalf were made.

According to Medrano, Bernard Aronson, former assistant secretary of state for Inter-American Affairs, apologized to Villalobos for the incident. The FMLN spokesman, however, asserted the incident was a negative U.S. action against the FMLN. Medrano added that the U.S. Government should change its attitude toward the FMLN, as it continues to consider that FMLN party leaders are dangerous people even though the FMLN is a legally registered political party. Medrano stated that the incident is not the first of its kind and that other FMLN leaders have also suffered such situations.

## Guatemala

### * URNG Claims 1992 Military Successes

*93CA0060C Guatemala City PRENSA LIBRE in Spanish 14 Jan 93 p 14*

[Text] The Guatemalan army suffered more than 1,000 casualties in 1992, including dead and wounded, in combat with the guerrillas in different parts of the country, according to guerrilla spokespersons.

A cable from the ACAN-EFE agency reports that the guerrilla groups of the Guatemalan National Revolutionary Unity (URNG) had 270 encounters with army troops last year, according to a "war dispatch" from the CREIGUA agency, headquartered in Mexico.

Among the supposed victims of the 1992 combats were 10 army officers, the report states, but it does not include casualties suffered by the rebels, on which the military has not commented until now.

The communique adds that the guerrillas temporarily occupied 162 farms, villages, and roads, attacking moving troops 96 times, and fixed positions 54 times. They carried out 33 ambushes and 59 skirmishes.

A total of 36 vehicles, some of them armored, were destroyed in the rebel attacks, according to URNG, the oldest guerrilla organization in Central America, founded in 1960.

The URNG is comprised of the Revolutionary Organization of the People in Arms (ORPA), the Rebel Armed Forces (FAR), the Poor People's Guerrilla Army (EGP), and the Guatemalan Labor Party (PGT).

Since April 1991, the government and the guerrillas have negotiated the end of the civil war that has caused some 175,000 deaths, according to private humanitarian groups, but the peace dialogue has been suspended since last August by disagreements involving human rights, the cabled report concluded.

### * CDHG Reports on 1992 Human Rights Abuses

*93CA0060B Guatemala City PRENSA LIBRE in Spanish 17 Jan 93 p 14*

[Text] 486 people were executed illegally in 1992, of whom 87 showed signs of torture, the Guatemalan Human Rights Commission [CDHG] said yesterday in exile.

This information was released by the Guatemalan New Agency (NG), in a cable dispatched from the Mexican capital.

The dispatch adds that the Peasant Unity Committee (CUC) international representation characterized as "fundamentally wrong" the statements by Defense Minister General Jose Domingo Garcia Samayoa, who denied that 150 civilian patrols from the northwestern department of Quiche had resigned.

According to a preliminary report by the CDHG, between 1 January 1992 and 13 January 1993 there were ten mass executions involving 41 deaths, and 445 individual executions.

It added that during the same period 65 citizens were arrested or "disappeared," of whom 38 were executed, while 335 suffered arbitrary arrest by the authorities.

The document continued that 385 more Guatemalans suffered attempts on their lives, another 200 received death threats, and the Army bombed and machine-gunned the civilian population in conflict zones 83 times, resulting in an indeterminate number of deaths.

Added to the list was the disappearance of 15 minors. Among the people attacked, 106 were tortured.

For its part, the CUC revealed that the resignation of the patrols occurred in the presence of the departmental governor and the auxiliary human rights procurer, who were made aware of the occurrence and followed the people's will.

### * Refugees Return to Primitive, Isolated Jungle

*93CA0060A Guatemala City EL GRAFICO in Spanish 18 Jan 93 pp 14-15*

[Article by Carmen Aida Ibarra]

[Text] At Polygon 14 there are only two large galeras (primitive structures consisting of only a roof supported by poles, with no walls or floor), awaiting the refugees who began their return to Guatemala last 20 January. These galeras lack even minimum and rudimentary service infrastructure, and access to them is difficult, even tortuous on the steep pass of almost 2 km that leads from the village of Santa Clara to the site where the settlement is to be established.

Regardless of whether the refugees' return will be along the Interamerican route or via that of Ingenieros, the true drama lies in the fact that the almost 4,000 refugees will settle in a place that offers no health or sanitary infrastructure, nor even access.

To begin with, the site chosen for the settlement does not even have a name, and it would be more valid to consider it, for the moment, as an extension of the village of Santa Clara, located in the heart of the political-geographic zone known as Polygon 14.

This square parcel of national territory consists of 101 units, overseen by INTA [National Institute of Agrarian Reform], more than 473 km from the capital. It is thus an isolated and remote place where the suffocating heat of the jungle, the sting of the mosquitoes, and the odor of cow manure reign, a barely accessible place where there is no hope yet of finding conditions that will later permit one to aspire to a better standard of living.

The village of Santa Clara is the closest town for the returning refugees, and it is currently the center of

operations used by CEAR [Special Guatemalan Commission for Assistance to Repatriates] to organize the receiving of the returnees. It is comprised of 86 families settled in this place for the last six years, all of them originating from southern coastal regions, primarily Retalhuleu, Huehuetenango, southern Quiche, and Alta Verapaz, who came in search of a piece of land to cultivate.

The village has no electricity, sewers, or potable water; but it does have a military detachment of approximately 180 soldiers, whose function is to organize the residents for patrolling the area. There are two meeting areas for the evangelists and one for the Catholics, a school with two classrooms taught by one teacher, and a football field in the town's center, represents the only diversionary activity in the vicinity.

The closest health facility is located in Cantabal, 25 km from Santa Clara, and since its recent renovation, it now has 30 beds available for serious patients, one doctor, and two auxiliary nurses.

That is, only Santa Clara, 2 km away, and Cantabal, 25 km away, have even minimum services, and the returnees will only have, for the time being, two galeras and three planned latrines, in a space so small that according to CEAR authorities in the zone, it can only support 300 people; and where not even the work of clearing the rocks and undergrowth has been completed.

The return route that the refugees have chosen becomes more difficult beginning with the Coban-Chisec-Cari-Cantabal-Santa Clara portions. But what is truly impassible is the almost 2-km pass between Santa Clara and the settlement site, including the crossing over the Gavilan River, which is considered a feat suitable only for acrobats and contortionists.

In crossing the Gavilan, we must give praise to an enormous log that presumes to be the bridge, and as the only assistance to pedestrians, it has small "foothoids" carved with a machete blade, to make the adventure easier. The route becomes really frightening on the cliff just before the river, because of the buildup of mud and slippery ground; and it becomes even more dangerous a few meters after crossing the Gavilan.

The situation cannot be worse, because besides the tortuous return route and the total lack of minimum infrastructure for the settlement, the Guatemalans who will return to the country after 10 years of being refugees in the Mexican camps must face the objective of reintegrating themselves back into Guatemalan society. In that process, problems and conflicts are expected to arise with the population of Santa Clara, 86 families who are completely divided with respect to what type of reception they will give the returnees.

## * INE Cites 14.22 Percent 1992 Inflation Rate

*93CA0060F Guatemala City PRENSA LIBRE in Spanish 5 Jan 93 p 43*

[Text] Inflation calculated through the consumer price index in 1992 ran at the rate of 14.22 percent, according to figures from the National Statistics Institute (INE).

The general consumer price index rose to 527.7 in 1992 from 462.0 in 1991, which upon comparison results in the annualized inflation over the previous period.

Within the structure of the price indicator, the groupings that weighed most in its rise were education; home furnishing, equipping, and maintenance; and food and drink, with increases of 19.51 percent, 15.85 percent, and 15.61 percent, respectively.

The groups weighing most heavily on the inflation level were public transportation, vegetables and greens, and medical and other professional fees, with increases of 49.6 percent, 13.2 percent, and 3.1 percent, respectively.

At the product level, those varying most were ripe guicoy, sardines, and ripe oranges, with decreases of 21.4 percent, 15.1 percent, and 13.0 percent, respectively.

According to the index calculated by the INE, the purchasing power of the quetzal ended the year at 0.19, with the loss of purchasing power being 0.81 percent, representing a continuous deterioration in real salaries and a consequent impoverishment sustained by most of the population with scarce resources.

The rate of inflation recorded last year surpassed the official goals by four percent, which at the beginning of the period was estimated to rise 10 percent, assuming a series of factors favorable to the national economy.

It is believed that the increase in the cost of collective urban transportation contributed to the increase in inflation, given its effective impact on national production.

## * Tourism Earned $242 Million in 1992

*93CA0060E Guatemala City PRENSA LIBRE in Spanish 7 Jan 93 p 87*

[Text] According to the Guatemalan Institute of Tourism (Inguat), $242.2 million entered the country last year through tourism, an increase of 30 percent over 1991, when the total was $211.3 million.

A total of 538,000 tourists entered the country, which met the expectations that had been formulated at the beginning of last year, for which reason the Inguat authorities said they were satisfied and wished to continue promoting an aggressive policy of tourist attractions.

Other preliminary figures published by Inguat reveal that 1,700 new jobs were generated in the sector last year and that average spending per tourist, average daily

spending, and average hotel occupancies increased, consolidating tourism as one of the most important engines of domestic development.

Graduate Rafael Lopez Mencos, Subhead of the Inguat Promotion Department, emphasized the importance of these figures, "since this not only benefits the tourism sector, but every sector that in one way or another is involved in it, thus contributing to the integral development of Guatemala."

Lopez also stated that this year a new series of programs to attract tourists was being promoted at both the domestic and external levels, counting on the collaboration of different governments and institutions aware of the great touristic variety the country offers.

### * Exports Total $1.8 Billion in 1992

*93CA0060D Guatemala City PRENSA LIBRE in Spanish 9 Jan 93 p 44*

[Text] A total of 123,355 export licenses were issued last year, which compared with the 1991 total of 106,085, constitutes an increase of 14 percent and represents an average of 500 licenses per day, according to graduate Carlos Payeras, director of the Single Export Window at the Economy Ministry.

In 1992 total authorized exports reached $1.827 billion, $270 million higher than in 1991, according to Payeras.

Of the reported total, $580 million corresponded to traditional products, which decreased by $14 million in total from 1991. Of course, the fact that the decline in these products was as small as it was resulted from the export of greater volumes to counteract the falling world market prices.

Nontraditional products include the exports from the maquila (assembly) industry, and thus of the total amount exported the effective contribution to the country is only that amount corresponding to added value, which is comprised principally of wages and salaries paid to the workers, and to a lesser extent the utilization of domestic raw materials.

With respect to exports to Central America, he said that they totaled $409 million, meaning that the isthmus demanded 24 percent of Guatemala's exports.

The previous information does not necessarily presuppose that the authorized value of exports to Central America generates 100 percent revenue for the country, since a high proportion is realized in domestic currencies, he emphasized.

Nevertheless, the figures indicated that export activities in the nontraditional area have played an extremely active and dynamic role, having significant repercussions on the country's economic activity because of the diversity of articles it produces and markets and, as a consequence, the quantity of direct and indirect employment it generates, Payeras concluded.

## Honduras

### Human Rights Director on Existence of '3-16'

*PA0403042493 San Pedro Sula TIEMPO in Spanish 3 Mar 93 p 2*

[Text] The Honduran Human Rights Defense Committee (Codeh), reiterated on 2 March its charges that the 3-16 Death Battalion continues to operate and stated that the ad hoc commission appointed by the government has an excellent opportunity to dismantle "all the terrorist structures in the country."

Jorge Sierra, Codeh vice president, stated during a news conference on 2 March that the 3-16 Battalion continues to operate. He displayed a plan of the 105th Brigade, in which this battalion operates and whose commander in the past was General Luis Alonso Discua Elvir, currently Armed Forces commander in chief.

"I am going to show you a plan of the 105th Brigade where the 3-16 Battalion can be precisely located," Sierra said after pointing to a map of the military unit's installations.

Sierra explained that the unit is located adjacent to General Headquarters, near Heroes Plaza. These installations have three dormitories, which at one time were named for officers Pastrana, Mercado, and Quintero. There is a living room with two air conditioners and a bedroom that in the past was occupied by an officer named Pena, Sierra said.

In addition, there is a file room, a communications room, and another room for "electronic warfare," in which the media were monitored and messages were drafted that insulted the Honduran people, Sierra added.

In addition, there is the armory, an office, a conference room, and a television and snack room, where the killers relax. There is also an abandoned small store and a photography laboratory where all the photographs of innocent people taken by the 3-16 Battalion agents are developed.

At the other end are the bathrooms and a soldiers' hall. Finally, there is the troops' dormitories, which has eight cots on the eastern side and 16 cots on the western side. In other words, there are 24 cots for the 3-16 Battalion members to rest—"the 24 members who make up the Armed Forces murderers' structure in San Pedro Sula." To conclude, there is a magazine for explosives and dog sheds are located outside.

"They should stop telling us that the 3-16 Battalion does not exist. They should stop saying the 3-16 Battalion is not located at the 105th Brigade, where it has its own physical installations to act with impunity," Sierra said. He added the battalion has always existed and not only in San Pedro Sula but in other parts of the country.

Sierra said in addition to the nation's problem of the team of murderers in the 3-16 Battalion, we now have

other teams of murderers in other Armed Forces' departments, other structures, and institutions.

He presented a list of officers, who signed an agreement in 1984 with then strongman Gustavo Adolfo Alvarez Martinez, that constituted the 3-16 Battalion. He compared this with a list of the Counterintelligence Battalion members organized by an agreement signed in 1990 by Humberto Regalado Hernandez. The names of the same officers appear on both lists.

A total of 37 percent of the Armed Forces and police officers who made up the 3-16 Battalion officers staff were part of the Counterintelligence Battalion officers staff in 1990, Sierra said.

Sierra said the battalion was under the command of then Colonel Luis Alonso Discua Elvir, currently the head of the Armed Forces. Discua was followed in command by Oscar Rene Barahona, while Police Captains Vicente Rafael Canales and Jordi Ramon Montanola were also assigned to the 3-16 Battalion—"a staff of murderers."

"General Alvarez picked among the officers at his disposal, those he considered would give him the best results to command the repression, to command the kidnapping operations and to command all of this battalion's serious offensive actions," Sierra added.

Immediately thereafter Sierra said: "Now that the 1984 commander of the 3-16 Battalion is the chief of the Armed Forces, there are serious doubts regarding his capacity to expose those he commanded in addition to his capacity to turn over to justice all of his subordinates who continue under his orders to kidnap and murder so many Honduran men and women."

Sierra stated that since 1990, the same counterintelligence battalions have continued to operate to create disorder sponsored by the state.

"The same murderers of yesterday, 1984, are continuing to commit murders now. The Honduran peoples' goal is to clean up the Armed Forces, purge the police, tell the truth, and enforce justice," Sierra said.

"These are some of the names that demonstrate that in Honduras the structure of state terrorism is untouchable. It is so untouchable that the names mentioned as responsible for more than 146 missing people and for scores of political murders remain in active service and are still within the counterintelligence structure," Sierra said.

"Until this truth is accepted, we will not be able to make any progress in human rights, nor will we be able to find alternatives that will allow all of us to sleep without a care," he said.

Sierra said the ad hoc commission is an excellent opportunity for the state to dismantle the state's terrorist structures that are inside the Armed Forces and the police.

"We believe the results obtained in 30 days will determine its success or failure," Sierra said, although he questioned why no government or nongovernment human rights organization belong to the commission.

"As of now, Codeh offers its support, its support to all the members of the commission, who are willing to comply earnestly and honestly with their responsibility," Sierra concluded.

### Armed Forces Spokesman Denies Existence

*PA0303195093 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 3 Mar 93*

[Report by Lucia Alvarado]

[Text] Jorge Sierra, vice president of the Honduran Human Rights Defense Committee [Codeh], insisted on 2 March that despite repeated statements by Army spokesmen that the 3-16 Battalion ceased operations approximately five to six years ago, the organization does exist and is working within 105th Brigade installations,

We again consulted Colonel Napoleon Santos Aguilar, Armed Forces Public Relations Directorate spokesman.

[Begin Aguilar recording] Out of principle, we definitely do not engage in polemics with anyone. I do not polemicize with Codeh, not on a personal level and much less on an institutional level. We have said this, we uphold it, and we are emphatic when we say that unit 3-16 Battalion, which existed about five or six years ago, does not exist. [end recording]

The official described Codeh's attitude as abnormal because he believes the organization is trying to regain credibility among the Honduran people.

[Begin Aguilar recording] We could describe it as an abnormal situation. We could describe this institution's opposition to the government as somewhat visceral. As I said before, we are not going to enter into polemics, because that private organization is slowly adopting contradictions that are causing it to lose credibility with the public. [end recording]

The human rights defense organization also requested that the ad hoc commission appointed by President Callejas Romero investigate their reports on the existence of 3-16.

[Begin Aguilar recording] This will give you an idea: We believe the creation of this ad hoc commission is a measure the government has taken to solve a series of problems that have caused an increase in the country's crime rate. You may notice that this private organization is already trying to use the government's good intentions to tell the ad hoc commission what it should do. I do not believe situations should be looked upon from that point of view because no one should look for ways to manipulate. We do not believe there is any possibility that the ad hoc commission's intention can be manipulated.

Have you not noticed that there is already a trend to tell this organization recently created by the government what it should do? We think that is wrong because the people who make up the commission are very serious and have a great deal of national prestige. Instead of trying to influence them, people should support them so they can do their job, which is seeking causes and problems, in the best possible way. [end recording]

To conclude, Aguilar reiterated that the 3-16 Battalion does not exist.

[Begin Aguilar recording] It definitely does not exist. We believe Codeh has gone to incredible lengths. Apparently, the situation is visceral. When situations are visceral, the head is obviously not used to think. There are often irrational thoughts, and sometimes even the gut is used to think. [end recording]

### Opinion Poll Reports Popularity of President

*PA0403025993*

[Editorial Report] San Pedro Sula LA PRENSA in Spanish on 3 March publishes four reports containing details of a poll taken in the main cities and in several major towns by the CID-Gallup organization of San Jose, Costa Rica. The poll was conducted from 10 to 17 February and includes a sample of over 1,300 people. It was designed to measure President Callejas' popularity, the chances for election of several presidential candidates, voter party preference, and the issue of allowing the president to run for reelection.

According to a 600-word report on page 20, "when Callejas came to power in Honduras, the people were very hopeful for change, because change was what they wanted. Economic adjustment came as a bucket of cold water and President Callejas' popularity plunged." The report continues that "in February 1993 for the first time there is a certain stability in the cost of living and in the crime and unemployment rates." The report says that this results in "an improvement in public opinion of the Callejas administration and the National Party of Honduras, PNH."

Regarding the president's popularity, the report says that "President Callejas is as popular today as he was when he began his term of office." The rate is 12 points higher than it was in September 1992. It states: "The president's major achievement, according to a majority of those interviewed, is the building of roads." The president's worst ratings come on the cost of living. The report adds that: "President Callejas receives higher ratings than former President Jose Azcona did at the end of his term." About 51 percent of those interviewed approve of Callejas' work, while only 31 percent said they approved of Azcona's efforts in 1989.

A 100-word report on page 56 says that despite the president's popularity, "a large majority—54 percent—does not agree with reforming the Constitution" to give the president the right to run for reelection. "This idea is strong only among members of the ruling PNH."

According to a 150-word report on page 21, the poll's findings regarding "the popularity of leading political figures" indicate that when asked to name the most popular political figures, President Callejas led the list with 61 points. Following Callejas was Oswaldo Ramos Soto with 54 points and Nora de Melgar with 53. Both are leading members of the PNH. Also named were Carlos R. Reina of the Liberal Party with 51 points, and Luis Discua Elvir, the commander in chief of the Armed Forces, with 28 points.

A 250-word report on page 56 says that "if the elections were to be held on 3 March, apparently there would be no president elect," as no one possible presidential candidate would get 50 percent of the popular vote. The poll shows that "the PNH has a relative advantage, with 47 percent support, over the Liberal Party's 43 percent, which also suggests a virtual draw, as the margin of error is 3 percentage points."

## Nicaragua

### Foreign Minister on Nomination of U.S. Official

*PA0403003593 Managua Radio Catolica in Spanish 2200 GMT 3 Mar 93*

[Text] The government of Violeta Chamorro on 3 March expressed its satisfaction over the nomination of Alexander Watson as U.S. assistant secretary of state for Inter-American Affairs. In statements to local media, Foreign Minister Ernesto Leal stated the appointment of the new U.S. assistant secretary of state for Inter-American Affairs shows the U.S. concern for Latin America.

[Begin Leal recording] On 2 March we learned about the appointment of Mr. Alexander Watson as U.S. assistant secretary of state for Inter-American Affairs. We view with great satisfaction that the new U.S. Administration has appointed the assistant secretary of state for Inter-American Affairs. This is a signal that Latin America continues to be important for the U.S. Government.

Nicaraguans should feel satisfied by this appointment, because it gives us more direct communication with the United States, as the person responsible for overseeing relations with our area has already been appointed. [end recording]

### Police, Sugar Refinery Workers Clash 2 Mar

*PA0303161393 Managua Radio Nicaragua Network in Spanish 1100 GMT 3 Mar 93*

[Text] On 2 March in Managua, government ministry spokesmen reported a clash between the police and workers who had seized the San Antonio Sugar Refinery's facilities in eastern Nicaragua. According to the government report, two people were injured and 40 were

arrested. The arrests took place after the workers failed to heed demands by the authorities and damaged the facilities. Police said that workers torched 20 manzanas of sugar cane, seized the local hospital, and tried to torch the San Antonio Sugar Refinery's gas station.

## * Rene Vivas on Resignation, FSLN

*93CA0062B Managua BARRICADA in Spanish 22 Jan 93 pp 1, 5*

[Interview with former Police Chief Rene Vivas by Noel Irias; place and date not given; first three paragraphs are BARRICADA introduction]

[Text] Following his retirement from Police Headquarters, Rene Vivas returned to private life. He now speaks for the first time about the events that led to his removal and the future prospects of a police force he helped create.

Vivas, a member of the FSLN [Sandinist National Liberation Front] since 1970, one of the band of guerrilla fighters who spent the most time in the mountains, deputy minister of interior during the Sandinist Government, and chief of police, is considered a modest man without overriding ambitions.

A lot of water has gone under Rene Vivas's bridge since the day he was recruited by the FSLN in Europe. Nevertheless, he maintains that if he had it to do all over again, he would do the same thing.

[Irias] How do you view the future of the Police? Do you think it will end up becoming a repressive machine?

[Vivas] The Police force is an agency that serves the government and should therefore obey it. However, there is a temptation (to which they yielded when I was part of it) to use it to solve social tensions. The vast majority of our police officers do not like to engage in repression.

The Police are not prepared to become a repressive, brutal apparatus despite pressures placed on it to "impose order." It cannot become an organ that represses landowners.

It is a difficult situation. I have confidence in the thousands of our fellow police officers. I am certain they will not sell their souls to the devil.

[Irias] What process was used to handle this complicated situation?

[Vivas] There was talk of a process of institutionalization. We were always an institution. Violeta Chamorro inherited an institutional apparatus whose fundamental purpose was to control antisocial, criminal activity. We were not used to massive strikes. Now we are constantly on the brink of confrontation with massive concentrations of people.

### Pressures

[Irias] What was the source of the strongest pressures?

[Vivas] We suffered the worst pressure during the takeovers of land, highways, and institutions. They made the government very uncomfortable. As if by magic, they wanted to return land in dispute that had been confiscated as a result of the promulgation of Orders 3 and 38, or because of what was contained in the Duilio papers. We always suggested—without any lack of respect—that they seek a solution other than violence.

There was no pressure; we had no trouble sleeping when the Contras would take over some cooperative. It was [not] a problem until the Contras went after private land.

[Irias] How can this contradiction be solved?

[Vivas] The Police understand this new process in social life. They clearly understand that they should play a role to protect peace and law and order.

There should be a process of convergence in order to draw a line between what can and what cannot be done in terms of repression and protest.

It was extremely handy for the government to have a police force that was totally docile. They must understand that the police must be governed by law and justice, be sensitive to social issues, and guarantee the safety of citizens.

### Reasons for Retirement

[Irias] What were the real reasons for your removal?

[Vivas] They got rid of me for three reasons: I did not put down the labor protests. I should have taken Lucio, Edgardo, the whole "Parrales Vallejos" prisoner. Then I would have been applauded.

Second, because of the land takeovers. They wanted the police to be a Supreme Court of Justice and return disputed properties. This resulted in frustration in government circles. How can the police resolve a problem that the government, National Assembly, and political parties failed to solve?

The third is the real reason: the Americans. Baker sent a message to Antonio Lacayo.

There must be a force to guarantee property. This police force does not provide a suitable atmosphere for investing. Baker insisted that they cut off the police's head.

They gave Lacayo a choice: Vivas or $110 million. It was very complicated for me. I could not allow them to say it was because of my own stubbornness that they would lose money the country needed so badly, money that in the end never came anyway.

[Irias] What was the basis for the process of negotiating your retirement?

[Vivas] That the situation would never be repeated. Creating a legal instrument so that the Police would have its own dynamic and guarantee that those who retire would have a decent life.

Our retirement was a message for those staying on. An unworthy retirement would have been a clear internal message: Go ahead and steal so they will not feel sorry for you when you go.

[Irias] How can that institutional mechanism be guaranteed?

[Vivas] With a legal mechanism guaranteeing that the Police would have its own logic and dynamic and that no one could be asking for the chief's head every three months.

Perhaps it was too much to hope for in this country, to ensure that the operation of the Police would be independent of the party in power.

We propose four years maximum for the chief and a healthy rotation for departmental heads because if a chief spends many years in a post, there is a risk of corruption.

This has been reflected in the law, a very difficult law. We approved the last articles at two o'clock [0200] in the morning on 4 September, only hours before my retirement was announced.

[Irias] And what were the results?

[Vivas] Unfortunately, I was naive about both objectives. I was mistaken. I do not think this mechanism endowing the police with an autonomous, professional life is being set up and, unfortunately, the Police are part of the political whirlwind in which we live.

**Mockery of Retired**

[Vivas] They made a mockery of those who retired. They did not keep their promises. The result: The $110 million never came, the Police force will not be guaranteed autonomy, and they deceived those who retired.

[Irias] Did you recommend the appointment of Commander Caldera?

[Vivas] I had no influence over the choice of Caldera. I thought that in order to create an institutional mechanism, the chief of Police should come from the promotion roster of regiment commanders. I told Lacayo that my natural replacement, the one with the greatest internal authority, was Juan Jose Ubeda. It was enough for me to suggest him for them to withdraw him from the list. I do not defend any individual, only concepts, and the government chose Regiment Commander Caldera.

[Irias] There is talk of conflicts between Police commands.

[Vivas] That is something about which I am extremely worried. Roger Mayorga, who was removed during the reorganization of the Police from his post as head of the narcotics squad and who is one of the most capable, skillful, and best-trained officers, has been left up in the air. I can understand a certain amount of jealousy because Roger's performance was extraordinary, but not the reasons of Minister Mendieta, Antonio Lacayo, Commander Caldera, and Police Headquarters for mistreating him as they did.

They are rewarding his efforts with a kick in the pants. No one can tell Commander Mayorga that he is a bum or irresponsible, a looter or a thief. What is worse, the government is not complying with its own law. Article 45 of the Organic Law stipulates the retirement procedure for chiefs who have no post or who are not eligible for promotion.

[Irias] Was Mayorga not on the list of officers who would retire?

[Vivas] Mayorga was up for retirement along with Cristian Pichardo and Manuel Calderon. I am sorry that I did not accept that proposal. I argued and fought with Mendieta for hours—which ruined our personal relations—because for me, the retirement proposal was unacceptable.

After lengthy discussions, I accepted the retirement of Juan Jose Ubeda, Roger Cabezas, Jose Figueroa, and Marcos Arevalo.

**No Silence**

I do not understand why they wanted to decapitate the Police promotion roster. They did not have to get rid of all the high-ranking officers. Baker was only asking for my head.

I made the mistake of defending them. Now they have been thrown out, like Mayorga, or are about to be, like Pichardo and Calderon. They are apparently looking for a convenient place to stick them.

I do not want to instigate conflicts within the Police, but I cannot remain silent when I see valuable comrades mistreated.

[Irias] If you could go back to the day you joined the FSLN, would you do it all over again?

[Vivas] Absolutely. The revolution is a worthwhile undertaking. I would repeat our attempt to change this situation.

**[Box, p 5]**

[Irias] What is your perception of the situation of the FSLN?

[Vivas] Up until 25 February, the Front was homogeneous, but I do not mean equal. There was a basic understanding. We did not have properties, cars, or houses; they belonged to the government. Some comrades occupied posts that entitled them to better living

conditions, but they did not own houses or cars. That is why we went out like thieves, because we had nothing after 10 years.

It all ended up very unequal; there are marked differences between us. Reconciling these differences is extremely complicated. We cannot come to any agreement on how to readapt. There are different movements and factions because man reflects on how he lives.

The workers' struggles are not understood by the entire FSLN. There are many perspectives from which to view reality. We have not made an objective analysis of the reasons for the defeat and no one has a clear strategy for the future.

The Vatican fell and now Russia is in the same line with us, asking for American aid, except with a bigger hand.

[Irias] In your opinion, what were the mistakes?

[Vivas] Certain agrarian policies that frightened the peasants, seizures conducted improperly, ignorance—the Atlantic Coast, for example—preparing for an invasion with a principal direction when it was against the principal direction.

In the final analysis, the war was not won either by the Sandinists or the Contras. The war was won by the bourgeoisie, the old and new.

[Irias] What is your opinion of the debates over property?

[Vivas] Laws 85, 86, and 88, which helped thousands of Nicaraguans, have been confused by abuses committed by a group of no more than 200 persons.

In my opinion, everyone knows who committed the abuses. We must find the sore spot and point out who they are and where they are.

This situation tarnishes 90 percent of the honest Sandinists and it is not a nice picture. The challenge facing the FSLN is to find a way out of this situation. It will not be easy, but it must be remedied.

Perhaps we have not been decisive enough, but the FSLN cannot continue to drag along these abuses for the rest of its history.

### * Mendieta Discusses Sequeira Case

*93CA0062A Managua LA PRENSA in Spanish 24 Jan 93 pp 1, 7*

[Interview with Government Minister Alfredo Mendieta by Pedro Joaquin Chamorro and Jose Joaquin Quadra; place and date not given; first seven paragraphs are LA PRENSA introduction: "Mendieta Takes up the Arges Sequeira Case"]

[Text] Links between the alleged material authors of the murder of Dr. Arges Sequeira and the former State Security have been fully recognized by Minister of Government Alfredo Mendieta.

In exclusive statements made for LA PRENSA's Sunday interview, Mendieta noted the work of the Government Ministry that unquestionably led to the identification of those allegedly involved.

A few questions remain which the minister of government says must be cleared up by judicial officials, specifically the motives for the crime and the existence of possible intellectual authors of that crime.

The failure to clear up such notorious cases as that of Enrique Bermudez Varela creates an atmosphere of uncertainty which the minister handles by responding that "these cases are not closed."

Challenging the assertion that the alleged assassins calmly entered the country through the international airport, Mendieta claimed that to date "no full identification of the individuals has been made."

In this interesting interview, Mendieta addresses issues concerning his arrival at the Government Ministry under Carlos Hurtado and Rene Vivas and the choice of Fernando Caldera to replace the latter.

The following are some of his statements.

[Chamorro/Quadra] Can you confirm that Frank Ibarra was head of the CIT (Territorial Counterintelligence), an agency under the now defunct DGSE [General Directorate of State Security] responsible for overseeing all the CDS's [Sandinist Defense Committees] and Sandinist mobs?

[Mendieta] Obviously, Ibarra served in the Ministry of Interior and, as a result of the election victory, was removed on 2 May 1990. The reason for his discharge was his transfer to the Army.

One must realize that many former members of State Security chose to retire and were subsequently transferred to the Army.

According to records and reports which I have in my possession, Ibarra worked in the 2d Region until 2 July 1992, when he was discharged, having made such a request on his own.

[Chamorro/Quadra] But he worked for the CIT, for this Territorial Counterintelligence that at the time was responsible for State Security?

[Mendieta] Indeed, he did work for counterintelligence agencies. We have no further information because, as you know, most of the files in Nicaragua were destroyed. We do have some records which reflect some activity, in this case, working for counterintelligence in the 2d Region.

[Chamorro/Quadra] The Ibarra case has apparently caused some dissatisfaction in the EPS [Sandinist People's Army] because it is thought that those allegedly connected with the case provide the EPS with some "color" and are upstarts from the Ministry of Interior. What is your opinion on this?

[Mendieta] Army problems are not within my competence, but I do believe that since the Army's situation is an institutional matter, we do not have these highly subjective situations in which such dissatisfaction is claimed to exist. What happened here was the merger of a sector which, having the same characteristics of the Ministry of Government when implemented by a civilian government, opted to join the Army.

We must realize that nearly three years have gone by since that separation and that, consequently, all such matters should have been resolved within the Army.

[Chamorro/Quadra] But is there still a kind of State Security Office as part of the Army?

[Mendieta] I understand that what we do have is a Department of Information for Defense, which no longer conducts political-type investigations, but only those relating to social phenomena occurring in the country and serving to point out situations of social disorder. In no way, however, do we have the same features that we saw in the old General Directorate of State Security.

[Chamorro/Quadra] Do you have any indication that suspects sought by the National Police in connection with the Arges Sequeira case may have acted with the complicity of other official or political sectors? In your opinion, what are the chances of a complete clarification?

[Mendieta] First of all, I think we have a very solid case insofar as the police are concerned, and we have reached a very clear presumption of the participation of these suspects. Overwhelming evidence has been turned over to legal authorities, whose task it will now be to clarify such evidence totally through the interrogation of these suspects when they are caught. I have complete confidence that this event will be cleared up once and for all.

[Chamorro/Quadra] Could these persons have acted in complicity with others who may be the real intellectual authors?

[Mendieta] We do believe so, and we have told and asked the nation's press to place its trust in us concerning the government's political determination to get to the bottom of this affair.

I shall now repeat the same request. When no one believed that we would catch the, let us say, material authors of the murder of Dr. Sequeira, I made this same request. I am now repeating it to you, based on the fact that we are doing our utmost to determine the possible responsibility of other persons.

Nevertheless, it is very important to emphasize the fact that, given the political connotations that some have tried to apply to this murder, it is very important to proceed with the greatest caution because there may well be ramifications extending far beyond the immediate milieu in which the incident took place. Our investigation is now pointing in that direction.

[Chamorro/Quadra] There is one worrisome inconsistency: Migration reported that the three most highly sought suspects in Nicaragua entered the country through the International Airport. How is it possible that they were not caught when they entered the country if, in fact, they had already been identified at the time?

[Mendieta] We did not have a full identification of the suspects at the time and did not until late last week, when we put together a special operation to try to determine and work on the only reliable element which we had within the framework of the investigation: the existence of a double-cab Toyota pickup truck with specific features.

Our preliminary work led us to the existence of that pickup truck on the later date, the 11th, a day after the suspects entered the country, according to Emigration records. We took eight of these pickup trucks to El Sauce for full identification, at which time we were able to establish the link between Frank Ibarra and the red pickup truck belonging to Bernancia Ibarra.

In other words, we did not yet have any precise information on the existence of these persons by the 10th. This is also the source of the connection with Espinosa Herrera, and it was on that same day, the 12th, that we searched his house in Leon and found important evidence that helped us clarify this fact. We previously had no precise information that these persons were or were not connected with the crime.

[Chamorro/Quadra] It was argued at one point that they entered the country by road and that it was not possible to trace their entry because there were no computerized records. This contradicts the claim that they came in through the airport.

[Mendieta] We have been releasing very precise information, but at no time have we said they entered by land. There has been speculation in part of the media about whether they did in fact enter the country and concerning the participation or lack of participation of others. Many of the leads that we have had in this case have had to be discarded.

In this case, the Ministry of Government has officially announced the entry of German Antonio Lacayo Guerrero on the 10th and of Frank Ibarra Silva and Diego Javier Espinosa Herrera on the 11th.

I should like to add, anecdotally, the case of Juan Hernandez. Arges Sequeira's secretary, Mrs. Minera Medina, noted the existence of a person who phoned Arges' home and identified himself as Juan Hernandez.

When we began to investigate this individual, we learned that there were over 140 Juan Hernandez's in the country with some kind of record. This will give you an idea of the depth of the investigation that we have had to conduct.

We have had to compile dossiers on a large number of persons having similar characteristics. Another suspect mentioned by the same Mrs. Medina turned out to be a famous soccer player who resided in Esteli and who had a son matching the description of one of the assassins described by witnesses: dark-skinned, curly hair, stocky, lame in one foot. The coincidence caused us to arrest the individual and take him to El Sauce. We concluded that he was in no way involved because he was never recognized by any of the witnesses at any time.

This will give you an idea of the work we have done in that direction. We have also compiled files on over 2,014 persons, all with photos of Esteli and areas of Leon or other spots adjacent to the 3d and 4th regions.

We have put together dossiers on over 300 persons owning red pickup trucks and more than 600 persons owning 22-caliber pistols. This shows you how exhaustive the investigation has been.

[Chamorro/Quadra] What hypothesis is being put forth by the Ministry of Government and the National Police concerning the suspects' illogical return to the country?

[Mendieta] The only possibility which I can see that applies to the case is simply that nearly three months after the commission of this shameful crime, the investigations and caution of the Ministry of Government, combined with the cooperation of the communications media in terms of handling the entire matter with true professional responsibility, meaning that no detailed reports were released concerning progress on the investigations, must have led the killers to assume that they could be sure the crime would not be solved. This seems to me to be the only logical explanation that could be given.

[Chamorro/Quadra] You speak of the final solution of the crime of Arges Sequeira. Do you truly believe that the case is closed and has been solved? Furthermore, what can you tell us about the case of Major Enrique Bermudez? Do you think it is a closed case and that the murder will not be solved?

[Mendieta] No case is fully closed until responsibility for it is assigned through the courts. In this case, we confined ourselves to doing our police work, providing important elements to legal authorities, and continuing to work with the latter until final solution of the case, but the conduct of the case is more the responsibility of the Judicial Branch than it is of the Ministry of Government.

We shall continue to work semiofficially on this case until it is totally solved. I am referring to the individuals involved who have been named as the material authors of the case, i.e., Messrs Ibarra, Espinosa, and Lacayo, for they have been investigated by the National Police. This is practically solid evidence for the legal authorities and it is now the responsibility of the courts to determine when the case will be definitively closed.

[Chamorro/Quadra] I understand that, in order to solve it, they must be captured, first of all, and second, that we must know the motives behind this assassination. These are two important steps left to be taken.

[Mendieta] Precisely, and we are now engaged in a huge operation aimed at catching these persons and turning them over to legal authorities so that, as a result of their interrogations, full responsibility for the case may be determined.

[Chamorro/Quadra] And what can you tell us about the Bermudez case?

[Mendieta] It is in no way closed. It is a case that remains open like many others in the country and on which we shall resume our work at the right time. We have not stopped our work on it.

[Chamorro/Quadra] When Minister Carlos Hurtado was removed from his post, there was a great deal of speculation that you had previously made a deal for the post with Minister of the Presidency Antonio Lacayo. What can you tell us?

[Mendieta] When I received the offer from Madame President to occupy the post of vice minister of government, I was asked, first of all, to support Minister Hurtado's work in the Ministry of Government. Second, one of the most important tasks was to work toward the professionalization of the National Police, a task postponed for many reasons that can be attributed unquestionably to the enormous amount of activity that had to be undertaken in the Ministry before I came into office.

In addition, I was also to help restore what could be considered as an unconcealed deterioration in relations between Minister Hurtado and a number of sectors of the Ministry of Government.

That was the job assigned to me. That was what I offered to do and that is what I told Minister Hurtado. At no time—I want to make this very clear—did I ever feel Minister Hurtado's support for my work as vice minister of government. On the contrary, there was great hermeticism in practical terms to enable me to devote myself fully to my post as vice minister of government.

A number of incidents took place. I understand that Minister Hurtado's resignation stemmed from other motives unrelated to his working relationship with me. It appears to be more closely linked to a document that supposedly got into the hands of an embassy and for which Minister Hurtado denied any responsibility even though it came from this office. From that time on, his relationship with the Executive Branch began to deteriorate.

[Chamorro/Quadra] Getting back to the matter of your work in the ministry, could you explain something about the initial relations between yourself and Police officials and perhaps reveal certain details that resulted in Major Vivas' removal?

[Mendieta] From the Office of Vice Minister of Government, I tried to establish the best possible relations with National Police officials. I did not confine myself to working with officials, but went further and worked directly with the rank and file, the line police of the Ministry of Government, National Police, and other agencies in the ministry.

The early months were marked by magnificent relations, but this situation later deteriorated markedly with the implementation of the process of professionalizing the Ministry of Government as a whole and particularly the National Police, especially when this depended on the replacement of certain officials such as Commander Rene Vivas, Commander Juan Jose Ubeda, Commander Jose Figueroa, and other lower-ranking officials.

A number of very sharp confrontations did take place, but were settled in a mature manner by the parties involved. The participation of the Ministry of the Presidency was decisive in solving certain problems that had arisen in this process of removing these officers from the Police.

I would say that this has now been accomplished and also that, except for the usual exceptions that occur in any case, our relations are very good.

[Chamorro/Quadra] What criteria were used in the controversial selection of Commander Fernando Caldera as chief of the National Police and, as his immediate superior, how do you evaluate his performance in such an important case?

[Mendieta] First of all, we must realize that this is a hierarchical police institution, meaning that in order to be promoted to a post, one must fulfill certain basic requirements. We even based our work on the Organic Law of the Ministry of Government and the National Police in order to ensure that institutionality would not be affected.

In this case, from the roster of regiment commanders that we had, we chose Commander Caldera because he was a young man with the possibility of growing both within the institution and with the institution in this process of professionalization on which we had embarked in consultation with the Spanish Government.

We thought that Commander Caldera had played an important role in this process. I think that he is growing and developing along with the institution and that he has a great future ahead of him within this institutional process that we have undertaken.

[Chamorro/Quadra] There are those who claim that you only have authority in the civilian structures of Government and that the National Police are administered almost like an entity independent of this government ministry. How would you respond to such claims?

[Mendieta] I think that rather than asking me to do my own analysis, it is you who must judge the role of Alfredo Mendieta in the Ministry of Government. I believe that on this issue, the press in general—in Nicaragua and internationally—has been very clear in pointing out that we in this country have undergone profound transformations as a result of the institutional purpose which we set forth and over which the civilian authority has enormous influence in terms of decisionmaking.

I think that so far the authority of the minister has not been challenged, and I therefore consider myself very satisfied with the role I have played. If such were not the case, if I did not have the capacity to make very important decisions daily concerning the future of the Ministry of Government as a whole, you may be certain that I would immediately resign from my post.

## * Reasons for Rearmed Activity Explored

*93CA0061A Managua LA PRENSA in Spanish 28 Jan 93 p 10*

[Commentary by Raul Llanos]

[Text] The warlike situation that is affecting the peasantry of the Northern Zone of the country indirectly affects us all as Nicaraguans, since it creates a political tension, distorts the functioning of the economy, distances investment, contributes to uncertainty, and exerts a negative influence on the possibilities of development. We are duty-bound, therefore, to express our opinion with respect to the problem thus posed, so as to assist in some way in stemming the bloodshed between brothers.

Let us take, as a starting point, Colonel Ricardo Wheelock's statements, published in the Wednesday 20 January edition of LA PRENSA, in which he expresses the view that "the demands of these groups, clad though they are in a political perspective, are but efforts to bring attention to bear on problems of a socio-economic nature, stemming from the impoverished situation that envelops the regions where these groups have taken root." These statements reflect the military high command's conception of the problem.

With due regard for the objectivity of the problem, those statements are deterministic, in that they reduce the problem to its socio-economic roots, diverting attention from the political perspective toward which it has actually drifted. For, according to the logic of that reasoning, were the problem fundamentally "socio-economic," its resolution should be through socio-economic measures, and not with the use of "aircraft in the operations mounted in the Northern Region." These measures, instead of "bringing stability to the countryside," are bringing death, pain, suffering, and destruction to the peasants.

Speculating for a moment on the reasons that led to the risk-laden decision to use military force, the only plausible explanation is precisely the so-called "political perspective," the intent being to subject those groups to a military pressure designed to exterminate as well as to soften them up for a future negotiation between the parties. This military pressure is not without its high risk. Not to be forgotten is the historic guerrilla-studded tradition of the peasants and the special geographic conditions of the Northern Zone that facilitate the development of guerrilla warfare. Moreover, the wounds left by the recently ended war have not yet completely healed and could reopen if this warlike situation continues much longer.

The fact is that the problem is not solely socio-economic. The problem is also the lack of guaranties and physical security, as attested to by the hundreds of still-unpunished murders of members of the Resistance, including that of Comandante 3-80, Enrique Bermudez. In this same regard, it is relevant to cite the case of Jose Angel Talavera, "Chacal," who, together with other companions, took up the growing of rice in Malpaisillo, Leon, on a farm given to them by the government, only to find themselves violently dislodged from it shortly thereafter by the police together with members of Sandinist cooperatives. Feeling cornered by those forces, Talavera decided to take up arms again as a self-protective measure.

From the socio-economic viewpoint, the problem could be resolved if there were total compliance with the commitment to distribute lands, which thus far has reached only slightly less than 40 percent of all those demobilized. And these have had to share lands with tenant farmers and peasants who are demanding rights of their own to those lands.

Of the few to whom lands have been granted, most have not received Title of Ownership. This prevents them from obtaining bank loans for their farming activities. Moreover, many of these properties are located in marshy zones not suited to crop farming.

Another aspect that it has not been possible to resolve is that of the demobilized who were victims of the unjust confiscations by the Sandinist regime. Of the 5,400 such confiscations, of which many of the demobilized, accused of being Contras, were the victims, only some 200 cases have been resolved. The government also announced publicly that it would release 25 percent of the corporations subject to privatization to the Resistance. This would amount to almost 100,000 manzanas. Only some 30,000 manzanas have been released, however.

As for the insidious campaign being waged by some of the media of known political leaning, which accuse the mentioned groups of crimes and violations of human rights, the possibility cannot be dismissed that such acts are being perpetrated by disguised elements with the aim of discrediting those groups politically. True, this is all just supposition, but we cannot be denied the right to doubt the official version of many news reports in this respect.

The "political perspective" to which Colonel Wheelock alludes could well be owing to some of the following precepts being expounded by these groups: revision of the Toncontin and Sapoa Agreements; phased reduction of the Army until its total abolition; restructuring of the police; bringing to trial the murderers of members of the Resistance, as well as the cases of Jean Paul Genie and Arges Sequeira; devolution of confiscated assets; aid for disabled war veterans; presence of Dr. Virgilio Godoy on the negotiating committee; and compliance with the UNO [National Opposition Union] government platform.

Several of the above points represent issues of a national character that have drawn the attention of public opinion. This indicates an interest on the part of our mountain peasants, abandoned though they have been by our governments throughout our history, in contributing to the solution of these issues.

We agree that civic struggle is the best way to participate in the solution of national problems, but sight cannot be lost of the CNPP's [National Political Party Advisory Board's] negative response to the PRN [National Resistance Party] filing for juristic recognition. This could well be a solution to the need to bestow on those peasants an instrument of political struggle, enabling them to exercise their political rights with full freedom.

The persistence of that negative stance is a mistake, because it unconscionably drives the peasant of the mountains to consider that his sole organizing mechanism is armed struggle. It is a mechanism that incorporates a high dosage of the culture of force and death, and it will deform a sound mind instead of educating it within the principles of a democratic party, in keeping with those of tolerance and respect for the rights of others.

In addition, we cannot close our eyes to lessons of the past in this situation, which demonstrate that a mentality exists within the spheres of government that tends toward seeking economic solutions to political problems. And many have shown that they make use of violence, purely and simply, as the only and most effective means of exerting pressure to obtain economic advantages. There is an old saying, however, that "every rule has its exception."

Lastly, the government must be called upon to think things through and reopen negotiations with these groups. It must not allow the rising number of deaths, which already totals more than 40, with many wounded, to continue plunging the humble abodes of the peasants of the mountains in the Northern Region into mourning.

*** Aleman Ignores Corruption Charges, Attacks Media**

*93CA0061D Managua EL NUEVO DIARIO in Spanish 19 Jan 93 p 4*

[Editorial: "Aleman's Blackmail]

[Text] Mayor Aleman has responded to none of the charges that have appeared in the daily newspapers of the capital.

Those charges form a long chain in which his feet can become entangled and cause him to fall. To enumerate them would be pointless, because the capital's entire population is familiar with them.

Not only does he remain silent but, feeling caught red-handed, he attacks like a cornered beast, using ignoble arms against the media, which have done no more than reflect in their columns the reports of persons who have reason to be aware of the mayor's wrongdoings.

The correct thing for him to do would be to explain to the citizenry the proper or improper use of City Hall's funds, which, in the final analysis, come from the pockets of the taxpayers. And this gives them the full right to inquire as to their use.

But instead of doing this, he prefers to make matters worse by seeking, Somoza-like, to silence the voices that are demanding explanations.

To cover up his underhanded dealings, the mayor is spending huge sums in an openly proselytizing publicity campaign designed to promote his candidacy in the forthcoming presidential elections, acting unscrupulously toward his potential rivals.

That he has paved streets in numerous districts and built parks is true, but it is no secret to anyone that there is no comparison between what is spent on these works and what he squanders in abundant travel expenses, on trips abroad by himself and his inner circle, on binges with his cronies, and lavish gifts at the expense of the building projects treasury.

The essential thing would be for him, in keeping with his obligation, to permit, an audit of all his accounts. But he has not done so. On the contrary, he becomes furious, and, acting irresponsibly, he seeks to silence us by levying taxes on the scrap accumulated in EL NUEVO DIARIO'S backyards.

Beautifying the city is his obligation, and for that he is paid. Except that, given the tremendous rise in taxes, we will very soon be treated to the spectacle of a pretty city where skeletons promenade along its streets.

Lastly, we protest against the threat to the freedom of expression that is contained in the economic assault on our newspaper, and urge the citizenry to stay on the alert and not permit Aleman's blackmail to prevail, not only against EL NUEVO DIARIO but against all of the citizens of Managua.

*** Need for More 'Sensitive' Media Explained**

*93CA0061F Managua LA PRENSA in Spanish 24 Jan 93 p 6*

[Commentary by Alvin G. Salinas Valle]

[Text] The transition to democracy requires the responsible support of all the social sectors, a combined effort of government, political parties, municipalities, autonomous regions, businessmen, workers, and, in particular, every citizen.

Evaluation by all national groups, of the gains realized and setbacks suffered by the different social and institutional sectors, is essential to the raising of levels of citizen responsibility in the achieving of proposed objectives for the common good. The widespread dissemination of that evaluation is decisive for the success of this undertaking.

The media, and particularly those having a nationwide circulation, have been absent from this task of dissemination. The national newspapers are those of the city of Managua, with extremely poor content from the standpoint of the rich multisectorial experiences being undergone in the different parts of the nation. There is a dearth of national printed media with a comprehensive view of the task that the Republic faces. Extreme polarization, in all its forms and expressions, has fenced us within the confines of our individual pettinesses.

Our newspapers are an example of isolated treatment lacking systemization and integrality in the handling of successes of the departments, of the contributions they are making to the transition process, in the effort to build the Republic.

We urgently need a journalism that educates, that contributes to raising the appreciation of each and every one of us for our localities; a journalism that highlights local values; a journalism that foments a healthy competition among municipalities for greater achievements in health care and education, greater contributions to national economic growth, urban beautification, environmental protection, etc.

A new, more sensitive journalism will be essential to the sharpening of each and every citizen's awareness of the need for full participation in the public process; to the fostering of the emergence of new social forces and massive initiatives aimed at the objectives we so urgently need to attain as a nation.

A new, more sensitive exercise of journalism will require an attitude of permanent self-criticism of its own work, a self-criticism that must be public, with a view to spreading this healthy process, by contagion, to all social sectors, and to the citizen in particular.

A journalism is needed that will help revalue our qualities and shortcomings as Nicaraguans, in our governmental and political endeavors (as members of the cabinet and/or political parties), in our economic

endeavors (as businessmen and workers), in our municipal endeavors (as councillors or citizens), and in our family endeavors.

A journalism that will help us be more understanding of ourselves, so as to not exaggerate our wretchedness—which the newspapers translate into bad news or excessive worship of human baseness—but rather to accentuate the advances on which we are embarking and the successes attained in each aspect of the national republican task before us.

We need to see our painful reality with a new sensitivity. We need to see Nicaragua with a new "enlightened eye," with responsible optimism, without factional prejudices or polarized mind-sets, with farsightedness and dedication to its future.

Fortunately, we are working along this line. The DIPP [Information and Press Office of the Presidency] has announced the signing of an agreement with the United Nations covering the financing of the "Aid to the Implementation of Communication Strategy and Promotion of Human Development" project that is to be implemented this year. The project is aimed at democratizing and modernizing our national journalism, upping qualitatively and quantitatively the human resources working in social communication.

But let us remember that access to new knowledge and technologies will not, alone, suffice to enhance a newspaper's potential for fulfilling its role. No technology teaches how to create a newspaper's basic product: the printed word. This continues to be a nontransferable human aptitude.

The ONU[UN]/DIPP Project, however, is a highly useful contribution that will lead to the search for and finding of new talent that will have to bring new prestige to our national journalism.

If we all get involved in the fascinating undertaking to forge a new journalism characterized by a new sensitivity, we can assert, unequivocally, that the press will be a solid instrument of our democratic transition.

## * Media Urged To Denounce Rightist 'Conspiracy'

*93CA0061E Managua EL NUEVO DIARIO in Spanish 25 Jan 93 p 4*

[Editorial: "The Shameless Conspiracy"]

[Text] For some time now, as they have watched the conspiracy being woven, the democratic media have insistently denounced the all-destructive, genocidal plans of the right, the permanent ally of the United States' most retrograde circles. Actually, it has been a campaign against the plot being mounted by the extremists to impose political absolutism on the country, take over the state at whatever price, and govern mercilessly in accordance with their most sinister designs.

Arnaldo Aleman, Alfredo Cesar, Virgilio Godoy, COSEP [Higher Council of Private Enterprise], the extremists of La Prensa, S.A., and the rest of the procession, tied to their international partisans, have not ceased conspiring day and night, over the past two years, to realize their plans, destabilize the country, starve the people without the slightest twinge of conscience, sow chaos, and, if possible, unleash another war. They do nothing else. It is their whole purpose in life. This unchanging lineup of motivations does not preclude their thoughtlessly making fools of themselves, plotting crude ploys such as that of Treasury Inspector Guillermo Potoy, and the "dismissal" of the minister of the presidency, Antonio Lacayo.

Unfortunately, this campaign against the all-out rightist conspiracy has not had the positive impact that we would like on the Nicaraguan people, because most of them, in the midst of their struggle for survival, feel that it is purely a matter of petty politics, of "palace intrigues," of banal verbalistic jousting between privileged, idle groups that find, in the clamor, a shameless way to have fun.

This skepticism, which is one of the dangerous fruits of the no-skin-off-my-back desensitizing ideology of the post-Sandinist-defeat era, prevents the people, to this date, from sharing in a deeper penetration of the rightist strategy, leading them to underestimate the full scope of these plans against peace, and, to some extent, leading not a few of them to believe that the way of the conspirators is the only way out of the abyss into which we have fallen.

Despite this far-from-encouraging picture, the fact remains that the denouncing of this extremist conspiracy is an urgent duty of the progressive press and radio, of the public conscience, of all of us who do not want the war, which has never ceased and is far from ending, to be prolonged and extended throughout the national territory. It is the people who must put this political catastrophe to shame, inasmuch as the government has demonstrated a fainthearted reluctance to address—militarily, politically, and socially—its causative factors.

The conspirators and warmongers must be made to meet head-on with popular resistance to their plans, with a blockade of their international intrigues that aim to isolate the country economically, and with organized rejection of their destabilizing actions. They must meet head-on with the protest and clenched fist of the majority of the constituted organizations, be they parties or unions, backed by the full force of civil society.

It is not a matter of defending the government. It is a matter of defending the peace, our democratic gains, against those who, behind their demagogic and populist discourse, seek to shamelessly assault the institutions forged by the people, and impose on us a neo-Somozist dictatorship ready to perpetrate their butchery and superexploitation. Let us rise to our responsibilities...before it is too late.

### * 'Loyalty' of Ministers to Executive Viewed

*93CA0061C Managua BARRICADA in Spanish 19 Jan 93 p 11*

[Editorial: "What the Dirty Laundry Reveals"]

[Text] The exposing of each other's dirty laundry by former Deputy Minister Alejandro Bolanos and the presidency, stemming from the accusations leveled by Bolanos to justify politically his resignation, has turned into a typical exchange of half truths and evasions of responsibility, that is being dominated by petty politics and not by the obligation to reveal the truth to the public.

To those of us who argue, from the steppes, that the government and its ministers are duty-bound to render clear accounts to the citizenry, this political miniscandal—it is not the first, nor will it be the last—calls for sober thought on the need to pry more diligently into the operation of the public administration.

Setting aside the political charges being leveled in the best Jesse Helms propaganda style, that the government is being controlled by the Sandinists, Bolanos's central argument is that he is leaving the cabinet because social policy occupies "fifth place on the list of priorities." Of course, the former deputy minister absolves himself of all responsibility during his tenure, and blames others, for the failure of the social policy that was mandated to him. What is contradictory about this justification is that while he was in the government, Bolanos was the principal propagandist and defender of a supposed social plan whose existence he now denies, thus validating criticisms that he chose to ignore when they were voiced in this regard by the Sandinists.

His reaction therefore seems ill-timed and politically motivated. In any case, however, and not because Bolanos says it, it devolves upon the government to demonstrate that behind the appointment of William Baez to the new Ministry of Social Action there lies the political will to correct the government's course and to formulate a true social policy that transcends its improvised welfare plans.

The government has responded to Bolanos's attacks by attributing them to political resentment over the president's decision not to offer him the ministerial portfolio. The official communique adduces that the first nine months of Bolanos's tenure produced "poor results," a "lack of leadership" in the social sector, and a "cooling of relations" with the international organizations. If this is all true, why, instead of dismissing Bolanos promptly, did the presidency offer him the position of deputy minister of social action in January of this year?

From the logic of the government's discourse, one concludes that the norm of the executive branch is to close its eyes to the deficiencies of its officials and admit them publicly only when an official becomes a political adversary, as Bolanos has done, or not until a corruption scandal erupts, as occurred with *Tony* Ibarra, seriously damaging the government's credibility.

The basic problem lies in the fact that aside from the cases mentioned above, ministers, deputy ministers, and directors cheerfully enter and buoyantly leave the government, without anyone knowing the exact criteria and parameters by which their performance in office is evaluated.

There is the case of Ronald Aviles, appointed deputy minister of interior, in the face of his doubtful performance as general secretary of MAG [Ministry of Agriculture and Livestock], only to be relieved of his functions four months later. Other officials such as Minister Rondon, have been confirmed in their positions despite the existence of solid and fundamental questions regarding their performance, not only on the part of the producer associations and nationally recognized experts, but also on that of the international organizations.

In a government devoid of party, loyalty to the policy line of the executive becomes a determinative factor in the selection of the principal public officials, but it is not and must not be the only one. "Loyal" officials exist, but not all cabinet members are cut out for public service, nor do they all have the same professional excellence. Others, including some who have already left the government, have demonstrated high levels of proficiency as technicians, but little or no proficiency in transforming policy decisions into concrete governmental action.

If in matters of "policy management" the government is ill-disposed to examine transparently the performance of its officials, there is all the more reason that the media, including BARRICADA, be obligated to improve the quality of the information they provide to the public on the government's promises. Perhaps with critical oversight exercised by the press, the possibilities can be minimized that the government will continue trying to pull the wool over our eyes.

## Panama

### Law Creates Interoceanic Region Authority

*PA0403005593 Panama City GACETA OFICIAL in Spanish 1 Mar 93 pp 1 to 23*

[Law No. 5 issued by the Panamanian Legislative Assembly in Panama City on 25 February 1993]

[Text] Law No. 5 of 25 February 1993

"Whereby the Interoceanic Region Authority of Panama is created and measures on the Reverted Properties are adopted."

The Legislative Assembly decrees:

**Chapter I: Creation, Definition, and Objectives**

Article 1. The Interoceanic Region Authority of Panama is hereby created as an autonomous State entity, which

hereinafter will be called THE AUTHORITY and will have legal status, its own patrimony, and an autonomous internal organization.

The Comptroller General's Office will carry out, with regard to THE AUTHORITY, the control task that constitutionally and legally falls within its purview.

Article 2. For the purposes of this law, the following definitions are established:

1. Canal Area: Former Panama Canal Zone .

2. Reverted Properties: The land, buildings, installations, and all other properties that have reverted or will revert to the Republic of Panama by virtue of the 1977 Panama Canal Treaty and its Annexes (Torrijos-Carter Treaty).

3. Interoceanic Region: Group of areas comprising the Reverted Properties, as defined by this law.

Only for the purpose of planning, the Interoceanic Region comprises the Canal Area and its Hydrographic Basin.

4. Treaty: The 1977 Panama Canal Treaty and its Annexes.

5. General Plan: Plan for the use, conservation, and development of the Canal Area. It will be prepared by THE AUTHORITY and will be submitted by the Executive Branch to the Legislative Assembly for its approval or rejection, as well as for making subsequent modifications. The General Plan includes the entire administrative environmental policies that are established by the Regional Plan and has, as one of its main objectives, the maximum development of the Maritime Sector.

6. Hydrographic Basin: Geographical area that preserves and supplies the water necessary for the functioning of the Panama Canal and its alternatives.

7. Regional Plan: Plan governing the development of the Interoceanic Region, as it is defined in the second paragraph of Point 3 of this article. It will be prepared by THE AUTHORITY and submitted by the Executive Branch to the Legislative Assembly for its approval or rejection, as well as for subsequent modifications. For planning purposes, the principles of the integral administration of the Canal basin and sustainable development will be used for the preparation of the Regional Plan.

8. Maritime Sector: Infrastructure of the Canal, port, and areas directly serving international commerce.

9. Panama Canal: The main property yet to be reverted, comprising the group of installations, equipment, land covered by water, and areas of operation indispensable for maritime traffic between the Pacific and Atlantic Oceans, through the territory of the Republic of Panama, whose administration and optimum use will be the object of a special law.

Article 3. The primary objective of THE AUTHORITY will be to be exclusively in charge of guarding, developing, and administering the Reverted Properties, following the General Plan and the partial plans that are approved in the future for the best use of the same, in coordination with the appropriate State agencies, so that the Reverted Properties be gradually incorporated into the integral development of the Nation. To that effect, THE AUTHORITY shall:

1. Promote the economic development of the Interoceanic Region to obtain the optimum use of its resources, the increase of investment, and the maximum benefit for the entire Republic.

2. Follow the recommendations made by appropriate public and private institutions and assist them in generating and creating jobs, protecting the environment, preventing pollution, and fostering social, integral, sustainable, and human development.

3. Coordinate all procedures that need to be carried out before central government entities, autonomous entities, and municipalities.

4. Become duly informed ahead of time of the program for the transfer of properties to the Government of the Republic of Panama by the Government of the United States of America and oversee that said properties are transferred in good condition so as to assign them their optimum utilization in a timely manner.

5. Coordinate its activities with the agency responsible for administering the Panama Canal, the National Port Authority, the Colon Free Zone, and any other similar agency established in the future to harmonize the development of the Interoceanic Region with the functioning of the Panama Canal.

6. Guard, preserve, and administer the Reverted Properties that so require it on account of their special condition during the time necessary for their definitive adjudication.

7. Oversee, together with other State agencies, that the Canal is transferred to the Republic of Panama in good operating condition, with all of its assets free from lien, and that the improvements necessary for the Canal are carried out, including the timely replacement of equipment and machinery that has reached the end of its lifespan or has become obsolete.

8. Coordinate and assist State agencies and municipalities that have jurisdiction over the Canal Area so that, while carrying out their duties, they adapt themselves to the General Plan for the Use of Panama Canal Area and Hydrographic Basin Grounds, as approved by Executive Decree No. 232 dated 27 September 1979, modified by Executive Decree No. 14 dated 3 February 1993, or the general or partial plans that are adopted in the future for such areas.

9. Promote and strengthen the Maritime Sector and the International Service Sector.

10. Coordinate with the Institute of Renewable Natural Resources (Inrenare) the activities pertaining to the integral administration and sustainable development of the resources of the basin.

Article 4. THE AUTHORITY will take all necessary steps so that those Panamanians who have lost their jobs or will lose their employment as a result of the reversion of properties or installations by virtue of the Treaty implementation, have placement priority in the jobs that are created by virtue of this law, as well as those created by enterprises that are installed in the reverted area.

For such purposes, the contracts that are held with such companies should contain clauses leading to the fulfillment of the provisions established by this article.

**Chapter II: Attributions**

Article 5. To achieve the objectives stipulated in this law, THE AUTHORITY will have the following attributions:

1. Draft the General Plan and submit it for approval by the Executive Branch from where, once approved, it will be sent to the Legislative Assembly for its ratification or rejection. Once the General Plan is approved, THE AUTHORITY will adopt it as a basic guide for administrative functions with the understanding that its subsequent modifications, in accordance with the results and circumstances, will be subject to ratification or rejection by the Legislative Assembly, as established in Clause 5, Article 2 of this law.

2. Plan, coordinate, and decide on the implementation of specific strategies, plans, and projects for the use, conservation, and development of Reverted Properties.

3. Organize a complete and detailed inventory of the Reverted Properties and assess their value in accordance with the current law.

4. Issue the necessary rules to rent, sell, grant concessions, and administer the Reverted Properties, and propose to the Executive Branch the regulations concerning procedures or situations included in this law, as applicable.

5. Coordinate with the Panamanian Directors of the Panama Canal Commission and the Panama Treaty Affairs Executive Directorate (DEPAT) under the Foreign Ministry, the promotion of an effective and growing participation of Panamanian citizens on that Commission.

6. Ensure, together with the institutions mentioned in the previous clause and with the corresponding binational commissions and committees, the orderly assumption by the Republic of Panama at noon, Panama time, on 31 December 1999, of each and every function carried out by the Panama Canal Commission until that date, so as to guarantee the continuation, without interruption, of its efficient operation and maintenance.

7. Prepare and adopt a Regional Plan to be submitted by the Executive Branch to the Legislative Assembly for its approval or rejection, as well as subsequent modifications. For that purpose, THE AUTHORITY will consult and reach agreements with the other state authorities to whom the law may assign some sort of authority in the Interoceanic Region.

8. Adopt adequate and necessary measures to conserve, protect, and improve the Panama Canal Hydrographic Basin, to guarantee the supply of potable water for the metropolitan area, and the water supply for the efficient operation of the Canal.

9. Buy, sell, assume obligations, sign work contracts, hire qualified technicians, and implement programs necessary for complying with its objectives and carrying out its functions.

10. Study and present recommendations to the Executive Branch regarding the law for Panamanians working on the Panama Canal Commission at the time of the transfer of the Panama Canal to the Panamanian Government.

11. Assume, within the framework of its objectives and attributions, any other function or responsibility assigned by the Executive Branch or by the law.

Article 6. The following properties cannot be sold:

1. Land and facilities necessary for the functioning of the Panama Canal, its improvements, or for any type of canal expansion, in accordance with the requirements of the institution in charge of administrating the canal.

2. Forests and areas that due to their characteristics are separated for environmental protection, scientific or recreational purposes, water supply, as well as areas already declared or that may be declared national parks within the Interoceanic Region and the Canal Area.

3. Land and facilities necessary for the functioning and expansion of national ports and free zone commercial areas, as established in the General Plan.

4. Properties declared nontransferable in the General Plan.

**Chapter III: Administrative Structure**

Article 7. THE AUTHORITY will be governed by a Board of Directors, which will be the highest decision-making body. It will carry out the functions assigned by this law and will have the necessary executive personnel and administrative units to fulfill its objectives.

Constitutional and legal norms and regulations on Administrative Careers will be applied in appointing personnel for THE AUTHORITY.

Article 8. The Board of Directors will be made up of nine (9) members appointed by the Executive Branch, who will be subject to the Legislative Assembly's approval.

The directors will not assume their functions until they are ratified by two-thirds (2/3) of the Legislative Assembly.

The first nine directors will be appointed as follows:

1. Four directors for a five-year period and five directors for a seven-year period. The period assigned to each director will be determined by a draw.

2. The successors of directors appointed for a five-year period will serve seven-year periods and vice versa. The directors will not receive a salary but only a stipend for attending Board of Directors meetings. They may not run for elected office.

Article 9. Directors must meet the following requirements:
1. Be Panamanian and at least 30 years old;
2. Must not have been convicted by the Judicial Branch for any crime;
3. Not hold a salaried public post except that of university professor;
4. Be well-known for their capabilities and high moral values;
5. Not be related to the president of the Republic, vice presidents, or ministers of state within the fourth degree of consanguinity and second degree of affinity; and,
6. Not be related to each other by blood to the fourth degree or by marriage to the second degree.

Article 10. Members of the Board of Directors, the administrator general, and other executive officials may not sign contracts with THE AUTHORITY or institutions or companies related to it nor promote businesses before it by themselves or through intermediaries.

Article 11. The Board of Directors will elect a president, vice president, and secretary from among its member to serve two-year terms.

The president may be reelected, if the Board of Directors so decides, but may not serve in that capacity for more than six consecutive years under any circumstances.

In the event the president resigns, the Board of Directors will appoint another one in no more than 60 days.

Article 12. The Board of Directors will hold regular monthly meetings and special meetings when summoned by the president or by written request from three of its members.

The decisions of the Board of Directors will be made through an absolute majority of votes by members except for cases regulated by law.

Article 13. The Board of Directors is responsible for:

1. Selecting an administrator general by competitive appointment. This appointment requires a favorable vote of two-thirds of the Board of Directors, which may not appoint any of its members to that post.

2. Drafting and executing policies, projects, programs, as well as the annual draft budget of THE AUTHORITY to fulfill its goals.

3. Establishing the general guidelines for the smooth operation of THE AUTHORITY.

4. Evaluating, approving, or rejecting proposals for the rent, sale, or exploitation of reverted goods, and as the case may require, authorizing the respective contracts in keeping with the Fiscal Code, except for cases regulated by the law.

5. Authorizing contracts pertaining to the supply of services, projects, technical assistance, and purchase of equipment and supplies needed for the smooth operation of THE AUTHORITY for an amount greater than the annual salary of the administrator general.

6. Supervising compliance by the administrator general of decisions made and guidelines issued by the Board of Directors.

7. Presenting an annual report to the Legislative Assembly on THE AUTHORITY's activities. This report should be presented in written form and held up before the plenum of the Legislative Assembly.

8. Approving its bylaws.

9. Exercising other duties specified by law or bylaws.

Article 14. Permanent absences by the directors will be filled within no more than 60 days through the procedure established by law and will be valid for the remainder of the corresponding term.

Article 15. Duties of the president of the Board of Directors are:

1. To preside over Board of Directors meetings;
2. To represent THE AUTHORITY and/or the Board of Directors in those cases that demand it due to importance or that the Board of Directors may request;
3. Advise in writing to the administrator general the decisions the Board of Directors adopt for him to execute. The vice president will assume these duties during the president's temporary absences.

Article 16. The administrator general will be responsible for the executive administration of THE AUTHORITY in accordance with this law and will be subject to the supervision of the Board of Directors. He will be the legal representative of THE AUTHORITY and will be allowed to delegate this responsibility to another official of THE AUTHORITY for a particular purpose, with the prior consent of the Board of Directors and according to the instructions conferred by it.

The administrator general may not appoint as employees of THE AUTHORITY people who are related to him or to any of the directors, whether by blood to the fourth degree or by marriage to the second degree.

Article 17. As for minimum requirements, the administrator general:

1. Must be a Panamanian citizen.
2. Must not have been convicted by the Judicial Branch for fraud.
3. Must be a person of well-known integrity.
4. Must have a university degree and at least five years experience in business administration, or its equivalent.
5. Must not be related to the president of the Republic, the vice presidents, the members of the cabinet, or the members of the Board of Directors of THE AUTHORITY, whether by blood to the fourth degree or by marriage to the second degree.

The administrator general will hold his post for five years, a period that may be extended only for one additional term.

Article 18. The duties of the administrator general are:

1. To heed and carry out the decisions of the Board of Directors.
2. To attend, with a right to speak, the Board of Directors meetings.
3. To promote, coordinate, supervise, and evaluate the studies and projects related to the development of the Interoceanic Region in accordance with the Overall Plan.
4. To handle and evaluate applications and documents related to the development initiatives of the Interoceanic Region and submit them to the Board of Directors.
5. To prepare and submit for review by the Board of Directors the draft budget bill and the annual operations and activities report.
6. To name, move, promote, suspend, and remove the administrative personnel, as stipulated by career service norms and internal regulations.
7. To sign contracts and concessions the amounts of which do not exceed the equivalent of his annual salary, subject to compliance with the Fiscal Code.
8. To sign contracts related to the lease, sale, and exploitation of the reverted areas in compliance with this law.
9. To assume the active and passive management of the funds and assets of THE AUTHORITY.
10. To summit to the Board of Directors the draft of the internal regulation of THE AUTHORITY.
11. To submit a monthly report of THE AUTHORITY's operations to the Board of Directors.
12. To present to the Board of Directors audited financial statements every three months that will contain exact and up to date information on all the assets and liabilities of THE AUTHORITY.
13. Any other duties that may arise from this law, regulations, or the Board of Directors.

Article 19. The administrator general will have the same emoluments, prerogatives, and allotments as the members of the Cabinet.

Article 20. The members of the Board of Directors will be suspended and in each case removed from their posts for felonies or crimes against the Public Administration through a ruling issued by the Supreme Court of Justice or any of its courts based on a summary proceeding initiated by the Office of the Attorney General. They can also be suspended or removed from their posts for violating any of the restrictions established in this law.

The administrator general may be suspended or removed from his post for grave administrative misdemeanors, for serious nonfulfillment of any of the provisions of the this law or of the decisions adopted by the Board of Directors, that, according to the Board of Directors, justify the measure. The suspension or removal of the administrator general must be approved by two-thirds of the directors and be according to the regulations of THE AUTHORITY.

The suspension or removal of the directors or the administrator general will be implemented without affecting any penal sanction that may be in order.

Article 21. The head of the Finance Department will be responsible for the financial administration of THE AUTHORITY and will be appointed and removed by the administrator general with the previous approval of the Board of Directors in both cases.

**Chapter IV: Assets, Finances, and Supervision**

Article 22. THE AUTHORITY's assets are:

1. The allotments for its functioning that are included in the General State Budget.
2. The revenues received for services rendered or the lease, sale, or concession of Reverted Properties.
3. The legacies and donations received from individuals or legal entities, nationals, or foreigners.
4. Any other properties, rights, or shares that become part of its assets by virtue of this law or legal acquisition by onerous title or free of charge.

The revenues obtained for the lease or sale of reverted quarters or quarters yet to be reverted and their land will de earmarked for a special fund for the construction of social interest quarters and housing projects.

This special fund will be deposited at the National Bank of Panama in a special account called Special Fund for Social Interest Housing (FEVIS), which will be administered by the Housing Ministry for that sole and exclusive purpose.

Article 23. The State will provide THE AUTHORITY with the funding it requires to operate until its activities permit it to fund itself.

Article 24. THE AUTHORITY will be governed by a five-year planning and financial administration system, which will be executed and controlled annually, adhering to the modern accounting regulations. As soon as the economic conditions of THE AUTHORITY permit, it will operate based on the principle of financial self-sufficiency, according to which, THE AUTHORITY,

through its revenues, will cover its costs of operation, maintenance of properties, investments, and reserves.

THE AUTHORITY's annual draft budget will have to be approved by the Board of Directors and will be subject to the constitutional provisions that govern the General State Budget.

Fifty percent of THE AUTHORITY's unused operations budget balance during a fiscal period will be carried over to the budget of the next fiscal year, as cash balance, without affecting the amounts preestablished in the original budget draft projections.

Article 25. In the event that annual economic surpluses are generated after THE AUTHORITY's budgetary needs are met, including its investments and reserves, these surpluses will be earmarked—during the budget period immediately following that in which the surpluses were generated—for investments in health, education, housing, social security, and social and economic public works, such as: National road systems, ports, airports, and production roads.

Article 26. THE AUTHORITY's funds will be deposited at the National Bank of Panama. The accounts will be managed in accordance with the corresponding budgetary, control, and auditing norms, following the regulations issued by the Board of Directors.

Article 27. The managing of THE AUTHORITY's funds and assets will be subject to the supervision and control of the Comptroller General's Office, in accordance with applicable constitutional and legal norms. In addition, THE AUTHORITY will be subject to an external auditing by an independent firm that is duly registered in keeping with the existing laws, the results of which will be published annually at least in two (2) national newspapers.

**Chapter V: System of Property and Adjudication Procedures**

Article 28. The State is the owner of the Reverted Properties. THE AUTHORITY shall have custody of, and the power to administrate, lease, sell, or grant concessions over them in accordance with the General Plan and in fulfillment of the dispositions established in the Tax Code.

Article 29. THE AUTHORITY, with the collaboration of public and private institutions of renown professional capacity that may qualify for this task, shall establish the guidelines for establishing the values of the Reverted Properties, while safeguarding the nation's best interests.

The value of each one of the Reverted Properties will be approved by the Ministry of Finance and Treasury and the Office of the Comptroller General of the Republic.

THE AUTHORITY, in exchange for the operations it may carry out, shall only receive payments in currency of legal tender in the Republic of Panama and in no case shall it accept national or foreign debt bonds.

Article 30. THE AUTHORITY will publish announcements, on a periodic basis, for a minimum of six (6) days and in at least two (2) newspapers of nationwide circulation, to inform the general public of the availability of Reverted Properties for lease, sale, or other form of concession or contract, in accordance with the General Plan.

The announcements shall include the following information:

1. Location and delimitation of the properties;
2. Description of the properties' characteristics;
3. Planned zoning or lot division and other uses for the areas;
4. Feasible activities for the properties; and
5. Any other information as deemed convenient.

The announcements may also be published in newspapers abroad whenever THE AUTHORITY deems there may be people interested in taking advantage of the offers.

Furthermore, THE AUTHORITY shall publish announcements, on a periodic basis, with the dates on which the public bids, the quoting of prices, or direct contracts are to be held for the Reverted Properties, at least 30 days prior to the event.

Article 31. All contracts reached by THE AUTHORITY, in keeping with the previous article, must be subject before a public auction, which will be carried out in accordance with the provisions in Chapter IV, Title I of the Fiscal Code. In such cases, the following rules will be observed:

1. When the Fiscal Code norms mention the State, Government, Central Government, the respective ministry or respective public institution, the corresponding state or government institution, it will be understood it refers to THE AUTHORITY.

2. When fiscal norms mention the Finance and Treasury Ministry, the minister or head of the corresponding public institution, it will be understood it means the Administrator General, except in the case of authorizations for direct contracts, in which case it will be understood it means THE AUTHORITY's Board of Directors.

3. When fiscal norms mention the president of the Republic, the Executive Branch through the Finance and Treasury Ministry, the Cabinet Council, the Evaluating Commission, or the National Financial Commission, it will be understood it means THE AUTHORITY's Board of Directors.

For direct contracts, however, THE AUTHORITY will need the approval of the Cabinet Council or the Finance and Treasury Ministry, as the case may be, in accordance with the Fiscal Code.

Article 32. After all the corresponding legal formalities and regulations have been met, the Board of Directors should finally adjudicate the bid through a substantiated

[motivada] resolution to the person whose proposal offers the greatest benefit to the State.

Article 33. In the case of bids on contracts for administrative work, association, concessions, rent, operation, or services exceeding $250,000, reselection norms established in the regulations for the Board of Directors will be applied. This measure is aimed at selecting bids that are technically and financially feasible.

Article 34. Contracts related to Reverted Properties must specify the use or destination the contractor will give those properties, as well as the term for fulfilling such obligation. Any contract not containing those specifications will be void.

Lessees or concessionaires of Reverted Properties will not be able to transfer their rights to another person or empowered to impose an obligation over them without the previous consent of THE AUTHORITY. All transfers or concessions that do not meet this requirement will be declared void and could result in the cancellation of the respective contract.

Contracts will specify, among other things, the causes for administrative resolutions, expiration or cancellation of the same, as established in the Fiscal Code and other applicable laws.

Article 35. Leases and concessions of Reverted Properties will be granted for a period negotiated by the parties, in keeping with the requirements of the corresponding projects and the state's interests.

The longest term for concession and lease contracts will be 20 years. The contracts, however, can be granted for up to 40 years, if THE AUTHORITY's Board of Directors, through a substantiated resolution, determines that such projects require contracts for a longer period, considering the cost of the investment, economic impact, and potential for creating jobs.

Article 36. The regulations issued by the Executive Branch in relation to the current chapter as well as their reforms, where reforms may exist, must be published in the Official Gazette and two daily newspapers of broad national circulation.

Article 37. THE AUTHORITY will maintain an orderly record of sales, leases, and concessions on Reverted Properties, stating the people favored by each contract and the value of the contract. This record will be open to the public for consultation.

**Chapter VI: Final Dispositions**

Article 38. THE AUTHORITY will enjoy all the powers and privileges that procedural laws may grant the state in the legal actions in which it participates.

Article 39. THE AUTHORITY will have coercive jurisdiction to be exercised by the administrator general, who may be able to delegate this function to officials of the institution, with the previous approval of the Board of Directors.

In addition to the documents mentioned in the Fiscal Code, the internal audit certifications on any kind of pending payments owed to THE AUTHORITY will serve for collection purposes.

Article 40. THE AUTHORITY will be exempt from paying any kind of tariffs, taxes, contributions, fees, obligations, or rights, except for social security fees, educational tax, professional risks fees, import taxes, Personal Property Transfer Tax (ITBM) on imported goods, and utility services.

Article 41. An Interoceanic Region Section, with the corresponding special regulations, is hereby created in the Public Registry. These regulations will be proposed by the Board of Directors of THE AUTHORITY and approved by the Executive Branch. The following documents will be registered in the Interoceanic Region Section of the Public Registry:

1. Documents conveying descriptions related to location, extension, measurements, and boundaries of the Reverted Properties.
2. The ownership titles pending over the properties obtained by public or private enterprises referred to in the aforementioned paragraph.
3. The ownership titles whereby real rights over the properties alluded to in the aforementioned paragraphs are either constituted, modified, or suppressed.
4. All acts and contracts issued by THE AUTHORITY whereby rights of any nature are constituted on behalf of private individuals concerning Reverted Properties as well as levies, restrictions, conditions, or limitations on the exercise of such rights.
5. The ownership titles of buildings constructed by private individuals or public enterprises that had been previously authorized by THE AUTHORITY. Without such authorization, the ownership titles will have no judicial value.

Article 42. All Reverted Properties and those that will revert in the future are hereby declared state property, except for those covered by special laws and those covered by a law approved in the Overall Plan.

The powers extended to THE AUTHORITY by means of the present law will not affect the existing limitations established over the Reverted Properties specified in the Treaty as long as said Treaty is in effect.

All of the Reverted Properties located in the Province of Panama west of the Canal are incorporated into the jurisdiction of the District of Arraijan.

*PA0403011893*

Article 43. The current tenants of reverted housing units and those to be reverted that may be subject to sale, in accordance with the Overall Plan, shall have first bid option for said housing units, to include the lands. Social

criterion will be taken into account in setting the price of the properties, as long as the property in question is to be used as a residence and involves no more than one housing unit per family.

THE AUTHORITY will regulate all that concerns the reverted housing units, establishing the criterion and procedures to be adhered to in implementing this article.

Article 44. The State will grant first bid option to those individuals who, prior to 30 June 1992, occupied or had possession of a plot of land within the disaffected areas prior to the effects of this law, in favor of the National Mortgage Bank [Banco Hipotecario Nacional] for social interest housing. For the effects thereof, a special transfer regulation shall be set forth. The areas are those identified as: MIVI AR-3 currently being processed, MIVI AR-4, MIVI AR-5, MIVI AR-6, MIVI AR-7, MIVI AR-8 and lots 11412, 11413, 11414, MIVI AR-9, lots 11415, and 11416.

Housing Ministry criterion and requirements for such procedures shall be applied in the recognition and formalization of said bid option rights.

The State, by way of the appropriate agency, shall assess any improvements made within the communities located on the aforementioned areas, taking into account current development conditions and plans for further improvements.

Article 45. The provisions of this law shall not affect or undermine the authority or duties of the National Institute for Renewable Natural Resources (INRENARE) in that pertaining to the country's renewable resources.

Article 46. The duration of the THE AUTHORITY shall be for as long as required for the fulfillment of its mission, and in no case shall it extent later than the year 2009, except by a legally adopted extension.

Article 47 (Transitory). Until the Overall Plan is approved, THE AUTHORITY shall carry out its duty in accordance with the following guidelines:

1. The Overall Plan for the Use of Lands for the Panama Canal Area and Hydrographic Basin, as adopted by Executive Decree No. 232 dated 27 September 1979, as modified by Executive Decree No. 14 dated 3 February 1993.
2. Housing Ministry regulatory plans shall be applied in those cases not covered by the above-mentioned plan.

3. The Housing Ministry shall approve decisions regarding cases not covered by either of the aforementioned documents.

4. The AUTHORITY cannot sell the land or other reverted assets, except those destined for housing, while the Legislative Assembly has not approved the General Plan. Before this plan is approved, the sale of land must be authorized by the Cabinet Council and the Canal Affairs Commission of the Legislation Assembly, in accordance with the Fiscal Code.

Once the General Plan is approved by the Legislative Assembly, all the sales of reverted assets must be carried out in accordance with this plan and the Fiscal Code.

Article 48 (Transitory). The Executive Branch is empowered to partially or totally transfer to The AUTHORITY the personnel, equipment, furniture, files, and the corresponding budget allocations of the state offices that carry out specific duties related to the reverted assets and that are not part of the binational bodies established by the treaty.

Article 49. This law rescinds Law No.17 dated 29 August 1979; Law No. 19 dated 29 September 1983; and Law No. 1 dated 14 January 1991, with the exception of Articles 2, 3, 6, and 21 which will be applied to the areas described in points c, d, e, f, g, h, and i of Article 3 of the aforementioned law.

Article 50. This law will go into effect 60 calendar days after its promulgation in the Official Gazette, except the provisions dealing with the appointment and confirmation of the members of the Board of Directors and administrator general of the AUTHORITY, which will be in effect as of the promulgation of the present law.

Be it promulgated and published.

Issued in Panama City on 18 February 1993.
[Signed] Lucas B. Zarak L., Legislative Assembly president;
Mario M. Lasso B., acting secretary general;
Guillermo Endara Galimany, president of the Republic;
Gilberto Sucre II, acting finance and treasury minister.

## Report Cites Money-Laundering, Tax Evasion Network

*PA0403023293 Panama City EL SIGLO in Spanish 3 Mar 93 pp 58,59*

[Report by Aneldo Arosemena]

[Text] Lawyer and political leader Carlos Alfredo Lopez Guevera, Deputy Foreign Minister Jose Raul Mulino, and several members of the law firm Fabrega, Lopez, and Barsallo are allegedly involved in a complex money-laundering and tax evasion network that also includes three Americans, one Peruvian, and one Panamanian. The network was allegedly able to "launder" 835,267,836.71 balboas.

Fabrega, Lopez, and Barsallo, and U.S. citizens Verlin Gayle Ray, passport No. 25865203; Jane Kirby Ray, passport No. unknown; Kirby Lane, passport No. 08105124; Peruvian citizen Antonio Gadea Riedner, passport No. 001045632, and Panamanian businessman Moises Mizrachi are allegedly the organizers and masterminds of a transfer system involving millions of dollars through several dummy companies in Panama and managed by Lopez Guevara, Deputy Foreign Minister Mulino, and lawyers Juan Pablo Fabrega and Eduardo Mulino Paz.

The Attorney General's Office is investigating charges made by EL SIGLO President Jaime Padilla Beliz against the law firm Lopez Guevara, Fabrega, and Mulino Paz; the three Americans; Gadea; and Mizrachi. Padilla Beliz has accused these people of engaging in "crimes against collective safety," based on Article 225 and other Penal Code articles related to drugs, and on the "antidrug" law of 30 December 1986.

The Attorney General's Office is seeking to establish if national territory was used to carry out crimes related to drug trafficking and money laundering, particularly commercial transactions with drug-related funds or providing false information to banks to open accounts and carry out illegal transactions. Likewise, the charges made by EL SIGLO seek to establish if time deposit accounts were opened with drug-related funds and if professional services were utilized to facilitate these criminal activities.

The criminal network reported to the Attorney General's Office supposedly started operating between 1981 and 1987, using 14 anonymous corporations underwritten by Dr. Carlos Bolivar Pedreschi and Dr. Carlos Lopez Guevara. The Fabrega, Lopez, and Barsallo firm appears as resident agent.

The anonymous corporations proceeded to open accounts with the Royal Bank of Panama, a Canadian capital bank that operated in Panama until 1987. When the Royal Bank of Canada closed its operations in Panama, the corporations transferred their accounts to the now closed Bank of Credit and Commerce International (BCCI), and later to Banco Sudamericano de Panama, S.A., where the money is still believed to be deposited. Between 1981 and 1985, 291 deposits amounting to 835,267,836.71 balboas were made into a time deposit account. Separate investigations have concluded that these funds are linked to drug trafficking and a gigantic tax evasion network. Tax evasion is considered a serious crime in the United States.

U.S. citizens James Ray, Verlin Gayle Ray, and Jane Kirby Ray appear as the only persons authorized to sign for these 14 anonymous corporation time deposits accounts that were established and are represented by the Fabrega, Lopez, and Barsallo firm. In other words, these Americans controlled nearly $1 billion in funds that could have not resulted from legal commercial operations.

It has been established that as result of instructions relayed by the three Americans between 1982 and 1984, the Royal Bank of Canada transferred 5.635 million [currency not specified] to London based jewelers Graff Limited. It is assumed that the three American also held an interest in this business.

The Royal Bank of Canada also credited $50,000 on a monthly basis to an account in the name of Ultramar Trading Corporation. The funds were then transferred to an account with the McIlroy Banking Trust in Sayetteville, Arkansas, were Jane Kirby Raye and Kirby Lane reside. In other words, the funds initially transferred to Panama were then transferred back to the United States by using another complex mechanism and then deposited into another account in the place of residence of the same persons who opened the Ultramar Trading Corporation account in Panama.

In addition, 4,500 South African Krugerrands worth 1,993,875 [currency not specified] were purchased through the Constructora del Norte, S.A. and Castelfranco Investment, S.A. corporations. It is worth noting that time deposit accounts were opened and the commercial transactions based on them were made through the Fabrega, Lopez, and Barsallo law firm.

Information gathered by EL SIGLO stated that the U.S. IRS is conducting investigations on the diversion of funds from that country that were later deposited in Panamanian banks to dodge taxes. The complaint against Lopez Guevara and his U.S. partners also seeks through diplomatic channels to make the Attorney General's Office enforce the terms of the Mutual Legal Assistance Treaty between Panama and the United States, which was approved through Law 20 of 22 July 1991, so that the North Americans responsible for handling these large sums of money are summoned and brought to make a statement in Panama through the IRS or other U.S. federal agency.

Verlin Gayle Ray lives in Louisville, Kentucky. Kirby Lane and Jane Kirby Ray are residents of Tucson, Arizona; Tulsa, Oklahoma, and Sayettville. Gadea Riedner lived at the Panama Hotel, owned by Asturian brothers Celso Luis and Manuel Celestino Fernendez Espina, known for their money-laundering activities in Spain, the United States, and Colombia.

The complaint regarding the alleged illegal activities by Lopez Guevara's law firm, Gadea Riedner, and Moises Mizrachi was filed on 2 March. Authorities are expected to investigate and establish responsibilities as soon as possible for this scandalous flow of money to numbered accounts.

## Argentina

### Menem on Constitution, New Defense Minister

*PY0303202693 Buenos Aires TELAM in Spanish 1208 GMT 3 Mar 93*

[Text] Buenos Aires, 3 Mar (TELAM)—President Carlos Menem said: "The general opinion in broad political, labor union, and business circles is that there is a need to amend the Constitution. This does not necessarily mean they support my reelection."

He added that the Constitution amendment bill promoted by the executive branch "has enough congressmen to approve it because it is supported by Justicialist Party [PJ] members and by others."

Menem told Radio America that over the past few days he has observed a change of opinion "among an important sector of the leadership, as often follows the feelings of the people."

He said: "I could run as a candidate but that does not mean I will win in 1995 because we know that other presidents in other countries have stood for reelection and failed."

"If I do things correctly, as I believe as I am, and the country continues to project itself as a great country, I may have a better chance," he said.

Answering a question, Menem said he will not neglect his administration in pursuit of reelection, "since it will not affect my performance. Although I think it is necessary to amend the Constitution, it does not mean I think about nothing else."

"We have the experience of other countries where their presidents were immersed in electoral campaign, and they did not neglect their government work," he said.

"Some congressmen from provincial parties support us, as well as the Radical Civic Union [UCR] governments of Chubut and Rio Negro Provinces, and perhaps of Cordoba also, since Governor Angeloz spoke about the need for an amendment," he said.

However, Menem said the PJ will meet officially with the UCR to discuss the subject.

The president ruled out any wage increase for the Armed Forces, saying that "it is not possible for the time being, because we do not have the resources."

He added: "Much has been said about the subject but I can categorically assert that for the time being there will be no increase because we must first improve the economy and then consider the subject, but for the time being that is all."

Menem then said he chose Oscar Camilion as the future defense minister because "he is a capable, talented man with a great career, who for that reason is UN high commissioner in Cyprus."

He continued: "He knows the Armed Forces and the subject of national defense very well. Besides, I think it is time to bring back to the country the best men to handle important duties."

He added that Camilion's appointment "does not mean more cabinet changes will take place, since his appointment follows Erman Gonzalez's candidacy for national deputy."

"For the time being I am not thinking of any changes because the cabinet is very well composed and we are achieving things with the consensus of those here and abroad, from whence Argentina is increasingly receiving praise," he said.

Menem praised Buenos Aires Governor Eduardo Duhalde "who is fulfilling an excellent task in a province that had been stagnant for the past few years," and considered the publicity surrounding Buenos Aires provincial government actions "is not excessive."

"People must know what is happening or they will believe nothing is being done," he said.

He expressed satisfaction with Buenos Aires Mayor Saul Bouer "who is not in an easy position, because his mission is to put the municipality in order and clarify many aspects that must be decided by the people."

Regarding the traffic problems in the past few days in the Federal Capital, Menem said: "They are provoked by road construction to facilitate a total change in the communications network and water pipings."

"People should be more patient because work is being done in places where nothing has been done for 50 or 100 years," said Menem, adding that "it would be worse if the work were not for the benefit of the people."

Menem said he still hopes the Common Market of the South may be totally ready by 1995 despite problems in Brazil, adding that the difficulties in that country could be solved "by implementing a state reform and social market economy program similar to the one we implemented in Argentina."

### Foreign Minister on Multiparty-Supported Foreign Policy

*PY0403012693 Buenos Aires TELAM in Spanish 1350 GMT 3 Mar 93*

[Text] Buenos Aires, 3 Mar (TELAM)—Commenting on his recent meeting with former Foreign Minister Dante Caputo, Argentine Foreign Minister Guido di Tella stated: "When supported by as many parties as possible, our foreign policy will be more effective and better consolidated."

The foreign minister told Radio Rivadavia that he and Caputo "have many differences and disagreements and

some agreements, but when a minister meets with a former minister, the world perceives an image of security."

He recalled: "When I was called from the United Nations to be informed that Caputo was to be designated UN envoy to Haiti, I supported that nomination because we have many good things to say about him."

Concerning the Haitian issue, he said that the decisions adopted recently by the United Nations "imply the confirmation of our broader foreign policy which was viewed with skepticism even in Latin America."

He commented on the purchase of Argentine petroleum by Brazil for an estimated $400 million, saying: "This purchase has been achieved through a political decision by the Brazilian Government."

Finally, he explained that during his "brief" meeting yesterday with U.S. Ambassador Terence Todman "we clarified some points on the Condor missile issue and on our entry into the Missile Technology Control Regime."

### Di Tella: Condor-2 Project 'Totally' Dismantled

*PY0303223893 Madrid EFE in Spanish 1544 GMT 3 Mar 93*

[Text] Buenos Aires, 3 Mar (EFE)—Argentine Foreign Minister Guido di Tella today said Argentina has "given assurances" to the United States that it has "totally" dismantled the Condor-2 long-range missile program.

Di Tella stated that his country is seeking U.S. support to join the Missile Technology Control Regime (MTCR), describing it as "the only thing that interests" the Buenos Aires government.

Argentina's membership of the MTCR is one of the issues to be reviewed by MTCR member countries from 11 to 18 March in Canberra.

The Argentine foreign minister indicated that Condor-2 was the main issue discussed during a meeting on 2 March with U.S. Ambassador to Buenos Aires Terence Todman.

On 29 January, Todman asked di Tella about the shipment of the "Condor-2 guidance computer systems." Pursuant to an agreement signed by Argentina and Spain in October 1992, the missile's main components were taken to the Spanish Navy base of Rota.

The Argentine-Spanish agreement foresees using some Condor-2 components for peaceful purposes in space research and the destruction of all other components.

Nevertheless, U.S. officials insisted that the Argentine Air Force withheld the guidance computers.

Di Tella said he gave "some explanation" to Todman in order "to clear up the issue which, for Argentina, is closed."

He stressed: "It does not matter to us if they are guidance or misguidance computer systems; we do not want them because they compromise our policy of combating the proliferation of mass destruction weapons."

Di Tella explained that Argentina wants to join the MTCR "because it is a club that could make available space technology for peaceful purposes, especially those concerning satellites."

The Condor Program began on 10 August 1979 during the border conflict between Argentina and Chile over the Beagle Channel.

The missile construction was expedited with Egyptian financing following the British victory in the 1982 war with Argentina over the Malvinas Islands.

The Argentine Government announced the Condor Program's "freeze" on 30 March 1990. Following U.S. pressure, the Argentine Government ordered the "total dismantling" of the program on 28 May 1991.

In late 1992 Argentina shipped the "Condor-2" remnants to Spain to be recycled and destroyed, a step which, according to diplomatic sources, was agreed between Buenos Aires and Madrid, with U.S. approval.

### Former 'Painted Faces' Activists Seek Alliance

*PY0403015993 Buenos Aires PAGINA/12 in Spanish 18 Feb 93 p 5*

[Text] Former Captain Martin Sanchez Zinny, who is [Movement for Dignity and Independence, MODIN, leader] Aldo Rico's second in command in the federal capital, has announced the formation of an alliance that includes Maoists, conservatives, and former Integration and Development Movement members. Two men (Enrique Venturino and Ernesto Barreiro, buddies during the Painted Faces uprisings), who were expelled from the MODIN by Rico, will today announce a new agreement with the Constitutional Nationalist Party [Partido Nacionalista Constitucional] (PNC). Following their expulsion, Barreiro and Venturino used the acronym MODIN for the federal capital district and have now sealed an agreement with Alberto Asseff's PNC.

### Drug Trafficking to Europe Via Mar del Plata Viewed

*PY0303230093 Buenos Aires LA PRENSA in Spanish 24 Feb 93 p 11*

[Article by Eduardo Souessia]

[Text] Mar del Plata—In light of recent events, Mar del Plata can no longer be considered a drug consumption center. It has unfortunately become an international drug trafficking center.

The so-called "Operation Prawn" first revealed that Mar del Plata might have become a center for the trafficking and transportation of drugs. The more recent and no less

concerning "Operation Caramel Cream" is now in the news. The operation is named after the "cans" used to send the drugs abroad.

The trafficking network dismantled by the Federal Police during operations in Mar del Plata, Rosario, and Buenos Aires could be connected to an arrest in Switzerland less than a month ago when "an international contact" was caught with cans of Argentine-made caramel cream. Very pure cocaine was hidden in the false bottoms of the cans. Swiss authorities alerted their Argentine counterparts who began a patient investigation that has ended successfully.

Federal Police personnel arrested two Mar del Plata residents "on their way" abroad. They carried a "shipment" of caramel cream hidden in false-bottomed cans.

Quick and spectacular events ensued, including a series of raids in Mar del Plata and Rosario, and the arrest of eight people.

On the cans, the criminals had counterfeited the logo of the famous Mar del Plata firm "Havanna."

Once they had falsified the logo, everything else was easy: Using modern laser photocopiers, counterfeit labels were printed. Many photocopies of the original brand labels were made. They used "peach" cans and filled them with caramel cream at the top and put the drugs in the false bottom.

Despite of the apparent perfect counterfeit labels, the Federal Police realized that the labels were not the same print quality used legitimately by the firm. Another key fact is that Havanna does not market canned caramel cream.

The drug was brought to Mar del Plata from the Bolivian city of Santa Cruz de la Sierra, canned in the city of Rosario, and sent abroad through Ezeiza International Airport.

First it was "Operation Prawn," then "Operation Caramel Cream." Mar del Plata has become not just a drug consumption but also a trafficking center, which is a sad boast.

## * State Enterprises Charge Less for Electricity

*93SM0138B Buenos Aires CLARIN in Spanish*
*25 Jan 93 p 18*

[Report by Antonio Rossi; first paragraph is CLARIN introduction]

[Text] The state power companies are charging less than the private companies for the same amount of power. Paying less to the National Commission for Atomic Power (CNEA), the North Patagonia Hydroelectric Company (Hidronor), Water and Power, and Salto Grande means that the government is preventing the real cost of electricity from being passed on to the customer. This situation could impede future privatizations of Water and Power and Hidronor.

On the first anniversary of the current system for marketing electricity, the government decided to change the theoretical principles on which the wholesale electricity market (MEM) is based.

The successive losses generated by the billing system in the first nine months of 1992 caused a "short circuit," prompting power officials to change the rules of the game.

To "rectify" the problems brought about by the power organization model set up in late 1991, it was decided to adjust the "cash flow" of the state enterprises: Hidronor, Water and Power (AyEE), the CNEA, and the Mixed Technical Commission of Salto Grande.

Their method of calculating the price of the power they deliver to the national system was changed, which resulted in a marked decline in each company's monthly revenues beginning last October.

These power companies, which had been charging on the basis of their marginal hourly costs, began receiving payments based on their "operating costs" in the latter months of 1992.

Thus, Hidronor's monthly revenues went from an average of 20 million pesos under the previous system of payment for power delivered to the MEM, to a fixed sum of some 9 million pesos per month.

For AyEE, a "single" price (for thermal and hydroelectric plants) of 0.027 pesos per kilowatt hour was set, cutting its monthly revenues to only about half of its average for the first nine months of 1992.

In September, the final month of the previous billing system, the company brought in about 30 million pesos. In December, under the "new payment system," it received only 17.4 million pesos for approximately the same amount of electricity delivered to the MEM.

Salto Grande charged a monthly average of 12 million pesos for power delivered to the MEM between August and September. After October, however, with the new "billing rules," it took in a monthly average of 2.5 million pesos for practically the same amount of electricity.

In the case of the CNEA, it was decided to leave intact the rates that had been in effect since the previous May. According to experts in the field, the nuclear power company would suffer an average reduction of 2 million pesos in revenues if the marginal hourly costs system were applied.

### Arguments

The "pruning" carried out by the Wholesale Market Management Company (Cammesa) on the prices paid to

the state power companies was made possible by the provisions of Resolution 50 of the Energy Secretariat, passed in October 1992.

To justify the cuts, power officials cited Article 37 of the regulations governing the sector (Law 24,065). This law provides that state power generating and transmitting companies "shall be entitled to recover only their total operating and maintenance costs, to enable them to maintain the quality, continuity, and reliability of service."

Most experts and specialists believe that the new payment system falls far short of meeting the objectives set forth in the regulations.

In the case of AyEE, maintenance is not being carried out on all equipment, and the payment allowed for transmission does not cover the real costs of the system.

Hidronor is in a similar situation: Rather than receiving the "reward" that the current marginal cost rate system is supposed to give to the most efficient suppliers, it must suffer the "penalty" of lower payments because it belongs to the state sector.

Regardless of the political arguments wielded in support of the changes, the fact remains that the MEM accounts were in the red. In the first nine months of 1992, there were six periods with negative economic results. In March, May, June, July, August, and September, the money collected by Cammesa from the distributing companies was not enough to pay the suppliers of electricity.

One of the alternatives for eliminating this imbalance was to increase the amount of power charged to the distributors. This increase—which some estimate at 20 percent—would have been passed on automatically to industrial and residential customers.

To prevent this outflow, the government decided to change the terms for the state suppliers, paying them according to political criteria rather than economic ones. This is a return to subsidies.

**Marginal Cost**

The rules drafted in 1991 to govern the MEM changed the way electricity suppliers market their product: Specific production costs were set aside, and the marginal costs of the system were taken into account.

Thus, the wholesale price of electricity for private suppliers is set every hour, according to how many megawatts are coming into the system to meet demand. The suppliers are ordered according to their efficiency, and those with the lowest production costs come into the system first. In this case, hydroelectric power plants have a tremendous advantage, since they have lower operating costs, and they are the first to sell to the MEM.

The prices charged the distributing companies, in contrast, do not vary from one hour to the next; the price is set every quarter, based on projections in the marginal system.

The price cut imposed on the state enterprises enables economic authorities to get the accounts of the wholesale market back on track temporarily, but it does not eliminate the distortion of prices, which cannot go on forever. An unavoidable requirement for correction lies on the horizon: the privatization of AyEE's and Hidronor's hydroelectric plants.

Those interested in purchasing these plants will not want to hear anything about rate restrictions, and they will certainly want free market rules to apply when it comes to billing.

## * High Temperatures Provoke Electricity Shortages

*93SM0138A Buenos Aires CLARIN in Spanish 15 Jan 93 pp 42-43*

[Excerpts] The electricity companies Edenor and Edesur explained that if high temperatures continue, there will be more blackouts. In addition, they indicated that no improvements in service can be guaranteed this summer, but the situation is under control. Between 1993 and 1994, Edenor will spend $100 million and Edesur $200 million to improve the residential power grid. Meanwhile, Sanitary Works yesterday replaced a sluice at Mexico y Sarandi that will benefit 30,000 customers in Almagro y Once, who were suffering from water shortages.

Although Edenor intends to spend $100 million in 1993, and Edesur's plans call for $200 million in spending in the 1993-94 period to improve the residential power grid, spokesmen for both companies agreed that "if the high temperatures of this summer continue, there will be more blackouts."

According to Hector Musmanno, Edesur's manager of institutional relations, "For this summer we cannot guarantee any improvement, but the situation is completely under control and will not be chaotic. In addition, we plan to invest $200 million this year and next to bring the grid up to par." Musmanno stated that "there will probably be power outages for two reasons: failures in the grid, and scheduled cutoffs for maintenance work to improve service."

Fernando Labore, spokesman for Edenor, explained that "Greater Buenos Aires Electrical Services (SEGBA) was privatized just four months ago, and our intention is to be in better shape next summer than we are now. For this purpose, we will invest $100 million in improvements this year."

Labore remarked that "we have increased power at 59 transformation centers, replaced 113 km of wires in the

residential grid, and installed 31 new transformers. We know that this attenuates the problem, but does not solve it." [passage omitted]

### * New Strategies for Gas Pampeano y del Sur

*93SM0138C Buenos Aires CLARIN in Spanish*
*18 Jan 93 p 26*

[Report by Ana Ale includes interview with Fabrizio Garilli by Ale; place and date not given; first paragraph is CLARIN introduction]

[Text] Billing for gas distribution in the southern and pampas areas will increase to 505 million pesos in 1993, an increase of 85 million pesos over the 1992 total. The company has 1,100 employees inherited from the former State Gas, but the new owner found that there were "many chiefs and few Indians." Another aspect that bothers the Italians of Camuzzi is the lack of attention paid to customers. Companies with high consumption rates will be rewarded with lower rates. Gas lines will be installed in Daireaux, Buenos Aires.

As of 1 January, this gas company now covers half of the entire area of the country. The Garilli family of Piacenza paid $393.4 million for the pampas and southern regions, and this year it will bill $505 million. Winning the business for the family's firm, Camuzzi, was a major coup, accomplished by making the highest offers for most of the eight regional distribution monopolies.

With the enthusiasm of a newcomer, Fabrizio Garilli is drawing up plans and outlining strategies in Italian in his Buenos Aires office. This handsome, green-eyed man explains that "our customers will not be an invoice number. We want to provide the same personal treatment that a father would give his children, to be close to the customer." Fabrizio spent eight months in Argentina in 1992; he toured the facilities of the former State Gas, looked at pipes and gauges, and estimated potential demand. After surveying the situation, he decided on the southern and pampas regions.

#### Billing of $505 Million

He recently took possession of his property, which includes 6,600 km of gas lines and 13,620 km of distribution pipes. Along with this property, the company inherits 1 million consumers, one-fourth of all customers in the gas market, plus 1,100 employees. At the rates that were preset in the bidding specifications, it is estimated that the company will bill $505 million this year, $85 million more than was charged last year by the state gas company in the same regions and with the same number of customers.

In his native Italy, Fabrizio and his family supply 600,000 customers in 350 locations. They are "first in distribution," and they reinvest "all profits," which amounted to $250 million in 1992. But Camuzzi Gazometri is just one arm of the holding company SO.DI. Gas, which bills $800 million, operates a multiple service division (water treatment and garbage recycling), and even finances the Piacenza Foot-Ball [soccer] Club.

#### Rates

The basic premise is the imported policy: The same will be done here as is done in Italy. "Our hallmark is efficient, decentralized management with regional autonomy. That is the great advantage we have to offer our customers," declares Fabrizio, gesticulating in a typically Latin manner. That is not the only advantage the group has. The proximity of the business units for which it won contracts will give it economies of scale and enable it to unify operational handling of the minimarket that stretches from Buenos Aires to Tierra del Fuego. It was with this strategy in mind that they selected the two areas in question.

[Ale] The rates set in the specifications are ceilings. Do you think you may charge below the ceiling at some point?

[Garilli] It will depend on our efficiency with respect to residential consumers. For industrial plants that use a lot of gas, there will certainly be special discounts.

[Ale] You took possession of your areas just a few days ago. Did you find what you expected, or do you regret the offer you made?

[Garilli] We do not regret it at all, because we knew our offer was right.

[Ale] What strategy will you pursue with regard to personnel?

[Garilli] We have found many chiefs and few Indians.

[Ale] What will you do with the chiefs?

[Garilli] We have not decided yet. First we want to give the employees a chance to get enthusiastic about their work, because they are rather demoralized. That problem and the lack of attention to the customer are the two things we will try to resolve. We have received a lot of cooperation from the personnel, and they know that we are working our tails off. We intend to give our customers the treatment they deserve, because our lives depend on them.

The Garillis are responsible for serving only the populations of Patagonia. According to the bidding specifications, private firms may refuse to incorporate new consumers into the system if potential profits do not warrant their addition.

Camuzzi plans to extend service to Daireaux, in Buenos Aires Province. Other additions are under study, although the company's working papers mention an increase in demand—due to new customers—of four to five percent a year and an overall growth rate in sales of seven percent, measured in cubic meters.

**Camuzzi in Argentina**

- Operators of: Distribuidoras Sur y Pampeana (51 percent)
- Paid: $393.4 million
- Liabilities transferred: $20 million
- Area supplied: 1.1 million square kilometers
- Provinces included: Buenos Aires, La Pampa, Neuquen, Rio Negro, Chubut, Tierra del Fuego
- Customers: 1 million
- Personnel: 1,100 employees
- Billing: $505 million in 1993

## Bolivia

### Paz Zamora Proclaims New Electoral Law

*PY0303180393 Madrid EFE in Spanish 2048 GMT 2 Mar 93*

[Text] La Paz, 2 Mar (EFE)—Bolivian President Jaime Paz Zamora today proclaimed a new Electoral Law that aims at making elections more open and establishing new rules for the political parties.

The Bolivian president proclaimed the law in the presence of Supreme Court President Huascar Cajias and other officials from the executive, legislative, and judicial branches.

The new law was passed within the framework of "ending the mother of all corruptions" and beginning "the reform of reforms" to guarantee the institutionalization of the country, Paz Zamora said.

Cajias expressed his satisfaction at the proclamation of the new law, and he stressed that it is important that this change should not take place by force but according to the law.

The president said the "first mortal blow against the mother of all corruptions" has been the election, by national consensus and two-thirds of the congressional votes, of the current Electoral Court members.

"Beyond the mortal blow against corruption, the law we just proclaimed is the beginning of the reform of reforms that will guarantee that the institutions will correctly and appropriately work in the country," Paz Zamora added.

The new law establishes the jurisdiction of the national Electoral Court and that its decisions have obligatory compliance, are irreversible, and cannot be appealed.

The citizens who registered to vote for the 1991 municipal elections in the new voting register do not need to register again.

All those people who did not register to vote or who registered with documents that have been annulled by law, like birth or baptism certificates or marriage licenses, will have 45 days to register, beginning on 8 March.

This law establishes rules for the political parties, as well as requisites—as stated by the Constitution—for candidates to the presidency, vice presidency, and Congress, who must fill in a specific form for each institution.

In case the results at a voting station are annulled, a procedure that was definite under the past law, new norms are established to hold elections again eight days after the general elections, besides respecting the first vote tallies in each voting station.

In the 1989 elections, subsequent vote tallies were subject to manipulation, according to the interests of each party, causing political scandals and an increasing lack of credibility by the public in the elections.

In Bolivia there are nearly 2.9 million citizens with the right to vote in the 6 June general elections—the third election in 10 years of democracy—but it is feared that 900,000 may not be able to vote because they lack an identification document.

## Brazil

### Haddad Criticizes Franco's Choices for Bank Directors

*PY0303200493 Rio de Janeiro O GLOBO in Portuguese 2 Mar 93 p 18*

[Text] Brasilia—Economist Paulo Haddad left his post as finance minister with harsh criticisms of the political criteria used by President Itamar Franco to choose the Central Bank and Bank of Brazil directors. Haddad, during his last news conference, to explain the reasons for his exit, said the least "a minister who respects himself" can do is ask for his replacement. Haddad explained that "he strongly disagreed" with the president's criteria for choosing the new Central Bank and Bank of Brazil directors. According to Haddad, Itamar Franco simply ignored the name he suggested in December for the Central Bank and the name suggested on 26 February for the Bank of Brazil. Civilian Household chief Henrique Hargreaves phoned Haddad on 26 February to give him the new directors' names.

Haddad, who says it is inadmissible that he should be informed about the new directors' names over the phone, said: "I regret having to leave but I would rather be loyal to principles than to power."

Without mentioning the name of former Deputy Paes de Andrade, chosen by Itamar as Bank of Brazil's Rural Credit Department director, Haddad said the president made an appointment "incompatible with the importance of the post or the Bank of Brazil's management." According to Haddad, even Bank of Brazil President Alcyr Calliari—an ally of the presidential advisers who contributed to his exit—tried to prevent the appointment of Paes de Andrade.

Haddad disclosed that on 27 February he insisted, through Minister Hargreaves, that Itamar change the names of the candidates to the Central Bank and one of

the ones for the Bank of Brazil—that of Paes de Andrade, which Haddad did not mention. According to Haddad, he, in the Bank of Brazil case, even proposed alternative names of specialists and politicians since "the institution traditionally has not only been managed by professionals but also by politicians."

In Haddad's opinion, the stabilization plan prepared by the economic team will require "highly qualified" people in the Department of Norms and the Central Bank's International Affairs Department because "75 percent of the plan entails measures and decrees related to the Central Bank."

Haddad regretted the replacement of the Central Bank International Affairs Department director, Emilio Garofalo, who, according to him, can only be replaced by someone equally efficient.

Haddad said: "I am certain I am leaving a plan that will be successful."

### Financial Market Reacts to Resende Nomination

*PY0303143093 Rio de Janeiro O GLOBO in Portuguese 2 Mar 93 p 18*

[Text] Economy Minister Paulo Haddad's removal and Eliseu Resende's nomination for this post produced negative repercussions in the financial market. The dollar—which is always sought by investors in times of instability—exchange rate rose 2.29 percent as compared with 28 February, when $1 sold for 22,300 cruzeiros. Stocks, in turn, reacted negatively to the report with a 4.1-percent decline in Rio de Janeiro and a 5.52-percent decline in Sao Paulo.

Even though market professionals were aware of the fact that Haddad's situation in the government was not very comfortable, the minister's departure was enough reason to cause nerves and long meetings at the financial institutions yesterday, reviving the fear of [economic] shocks and price freezes. According to these professionals, the main problem was to identify what will change in the economy during Eliseu's administration.

Francisco Carvalho de Araujo, the Corretora Norsul Company open [market] department director, confided: "We were somewhat lost."

According to Carvalho de Araujo, the market will be more stable only after Eliseu Resende further explains his ideas and his plans for the economy. Despite the urgency demonstrated by President Itamar Franco in adopting measures that will curb inflation, Carvalho de Araujo does not believe a stabilization program will be implemented soon.

Haddad's departure did not cause any fear in Carlos Reis, the Rio de Janeiro Stock Exchange president. Reis believes the new minister will have to adopt more aggressive measures against inflation and not merely increase interest rates.

Reis said: "It is true that three ministers were changed in three months and not even soccer teams change their trainers so often. Nevertheless, we always harbor hopes of a more tranquil horizon. We must wait and hear what he has to say."

### Daily Assesses Impact of Haddad's Departure

*PY0303165993 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Mar 93 p 8*

[Article by Ribamar Oliveira]

[Text] Brasilia—Paulo Haddad's exit from the Finance Ministry represents the second defeat for the five government Musketeers. This is the name of the group that has fought the government palace group's ideas since the time of former Minister Gustavo Krause, and was trying to make President Itamar Franco's economic program slightly rational, as they defined it.

In the beginning Paulo Haddad, Gustavo Krause, Walter Barelli, Antonio Britto, and Fernando Henrique Cardoso were the five Musketeers. The Musketeers' first move against the group headed by Justice Minister Mauricio Correa and Jose de Castro, who was consultant general of the Republic at that time, which was struggling against high interest rates and wanted to immediately resume development, resulted in a setback: Krause was unable to tolerate the president's uncertainty in the economic field and felt diminished when Itamar Franco decided to ask Bank of Brazil President Alcyr Calliari to study the possibility of reducing interest rates.

The Musketeers group was formed as a reaction to a group of Itamar Franco's friends' criticisms of Krause and Haddad's economic policy. The group used to hold meetings to agree on the language they would use in public and during meetings with the president.

After Krause's exit, the group was joined by Planning Minister Yeda Crusius, and it was decided that its members would leave their posts if Itamar Franco decided to take the path of shock measures and to again freeze or confiscate assets.

The Musketeers also feared the palace group's ideas regarding privatization. After Krause was replaced and Yeda Crusius joined the group, it once again became the target of Itamar's friends' criticisms in January when the inflation rate amounted to approximately 30 percent. At that time, when they realized that Itamar was paying more attention to the other group's suggestions, they admitted that "the president is very nervous."

When everything seemed to be running smoothly, the Musketeers lost another member. Those who closely follow the group's developments wonder whether Haddad's exit is going to ruin the group. They even talk about the possibility that other members may leave the government because they are unable to influence government decisions. New Finance Minister Eliseu Resende, in addition to being an old friend of Itamar, is regarded

as very close to former Finance and Planning Minister Delfim Netto, who is currently deputy for the PDS [Democratic Social Party] for Sao Paulo. Delfim worked with Resende under [Garrastazu] Medici and [Joao Baptista] Figueiredo's administration.

### Finance Minister Appoints New Eletrobras Chairman

*PY0303142593 Rio de Janeiro O GLOBO in Portuguese 2 Mar 93 p 19*

[Text] [Finance Minister] Eliseu Resende yesterday asked Jose Bndespar [National Bank for Development and Participation] Executive Director Luiz Alqueres to replace him as chairman of Eletrobras [Brazilian Electric Power Company, Inc.]. Alqueres, 47, graduated from the School of Polytechnics of PUC [Catholic Pontifical University] with a degree in civil engineering. He worked for Eletrobras 21 years ago, where he held different posts, including that of planning director. Before becoming Bndespar executive director, Alqueres held the post of energy secretary during a few months at the end of the Collor administration. He is an expert on the electrical sector and its problems. He has always advocated the need for private companies to invest in public utility companies, which have been facing financial problems for years.

### Judge Indicts Former First Lady on Malfeasance Charges

*PY0303212093 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 Feb 93 p 7*

[Text] Maceio—Judge Sebastiao Vasquez of the 4th Chamber of the Maceio Federal Court, yesterday indicted former first lady Rosane Collor on charges pressed by the Attorney General's Office.

Rosane Collor is charged with misusing 2.6 billion cruzeiros that belonged to the Brazilian Welfare Legion (LBA) while she headed that organization. Eight other people will also be prosecuted. The LBA funds were diverted to the Canapi Charitable Association, a ghost organization created by Rosane's mother Rosita Malta. The former first lady was accused during a Federal Police investigation last October. She said she did not know the location of the organization that was controlled by her family. Vasquez said he does not yet know when the trial will take place.

## Colombia

### Government Furthers Integration Efforts in Region

*PA0403131393 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 4 Mar 93*

[Report by Raul Gutierrez]

[Text] Together with Chile, Peru, and Ecuador, Colombia is trying to get the South Pacific Commission to extend beyond the protection of the species in the Pacific Ocean and integrate with the so-called Asian tigers: Taiwan, Singapore, and Korea. After all, this is the era of integration and openness.

[Begin Colombian Foreign Minister Nohemi Sanin Posada recording] We have a permanent commission on Pacific matters but only with South America. The Colombian proposal is that the commission include the entire American hemisphere. We are going to work at a regional level and propose regional activity to get closer to the Pacific.

While this is happening in the Pacific, Colombia and Venezuela are accelerating economic integration and leaving their differences on the gulf aside.

The customs union has been reached and free trade is being fully implemented. Now, both countries are attempting to integrate their financial systems so that Bogota and Caracas businessmen can take advantage of the privatization of banks, electricity companies, and general services, in both countries.

[Begin recording] [Venezuelan Finance Minister Pedro Rosas Bravo] It would be very advantageous for both countries if stocks of the firms that are to be privatized in Venezuela could be placed in the Colombian market and vice versa.

[Venezuelan Coordination and Planning Minister Ricardo Haussman] One of the reasons for integration is to become more attractive for foreign investment. We would be able to offer a bigger and more homogeneous market to foreign investors. [end recording]

Colombia and Venezuela will go further still. They will jointly negotiate their entry to the free trade zone of Mexico, the United States, and Canada.

### Armed Forces Commander on Guerrillas

*PA0303175293 Santa Fe de Bogota EL TIEMPO in Spanish 28 Feb 93 p 3a*

[Interview with General Ramon Emilio Gil Bermudez, commander of the Colombian Armed Forces by unidentified EL TIEMPO reporter; date and place not given]

[Text] [EL TIEMPO] General, this year the Armed Forces offensive has resulted, according to official reports, in the death of over 250 guerrillas and in the capture or death of a dozen top men of the guerrilla fronts. To what do you attribute these results?

[Gil Bermudez] The nation now knows very clearly who the criminals are. The community rejects them and is turning toward the Armed Forces in a way not seen before. This has resulted in our receiving a constant flow of information that has allowed us to apply our force efficiently and to put these criminals in such a state of isolation that no matter where they go they are reported and persecuted.

The subversives realize that more and more they have to hide. Their initiative has been taken away and the possibility of acting with impunity has been reduced. The good results have been increasing and as each day goes by they are more significant. We are very optimistic as to the future.

[EL TIEMPO] In high government circles there is a certain level of confusion because, as far as the guerrillas are concerned, there is a sort of dead calm and the subversive commanders are never seen again. What is happening?

[Gil Bermudez] Some time back, I would say four to five years ago, these organizations reached their peak. Since then they have been on the decline. They are moving toward extinction. But since they retain their capacity to commit crime and to cause harm, there is a great need for the Public Forces to accelerate this process.

We must accelerate the process, especially because of the dramatic costs to the territory. I would say that sooner or later—more like sooner—subversion in the nation has to end.

Why are the leaders out of sight? This is because they have lost their bearings and now they do not even dare to mention what they are doing. Currently they do not even give speeches to motivate their people. With difficulty they maintain these groups, motivated by the sharing of the spoils.

They no longer have the capacity to mobilize masses or to engage in actions for which any popular support can be seen; they have definitely lost this. The existence of an organization as such, from a revolutionary point of view, contradicts all principles.

Currently we are receiving reports that pinpoint more precisely where they are. If those leaders remain out of sight they will continue to lose those who make up their support groups. At the same time, with the support of the community and our efficiency, we will dismember all their organizations and those same leaders will be among the casualties.

They will have to accept the conditions set out by the government for individuals who want to be reincorporated into normal society. Our goal is to corner them, isolate them, strike them, and put them in such a state that they will have no other alternative than to surrender to justice and give up the armed conflict.

[EL TIEMPO] It seems defections from the guerrilla ranks are widespread. In fact, 16 guerrillas defected in one week.

[Gil Bermudez] There are many reasons for that, such as the absence of a goal or ideological base, and the fact that they have conducted all sorts of criminal activities without constraints. That situation creates many difficulties for the leadership of any organization because personal ambitions arise as the chief concern, which is extremely harmful and tends to be disruptive.

That is why we have found these organization to be splintered. They have had trouble with people who have left with money, who have sought to set up their own organization, and who do not obey and do their own thing.

The rebels also handle the blood money in such a way that it is not distributed, which is why the subordinate rebels barely get enough to live.

That accounts for the increasing defections from all groups. The number of defections is growing every day. Many rebels are not aware there are so many possibilities to leave, survive, and return to a normal life. We are informing them of all those possibilities, and that is causing great uneasiness among the leaders. It explains why we are receiving people who have left the guerrillas and are surrendering to justice.

[EL TIEMPO] Are the decrees meant to stem the flow of money from many contracting companies and even the government to the guerrillas?

[Gil Bermudez] I think the subversives are still receiving money from various sources. The measures, however, have considerably reduced the flow, and they will have to come up with different means.

They may find them, but they will involve greater difficulties. We know this factor is unsettling the guerrillas.

[EL TIEMPO] The Comptroller General's Office issued a report stating that in the past decade military spending was done without any planning and megaprojects were executed that did not yield results.

[Gil Bermudez] That depends of how you look at it. We must make it clear, however, that the country always needs a deterrent force and must always be alert to ensure that its sovereignty and integrity is respected. We cannot irresponsibly handle the defense of our sovereignty, and in that respect the spending is justified. Our priority is now geared toward strengthening internal order. We are doing a good job of handling everything related to our border patrols.

[El TIEMPO] Do you agree with the Supreme Court ruling striking down the possibility of the Armed Forces performing the duties of the judicial police? What consequences will it have on crime control?

[Gil Bermudez] At one point we wanted to have all the powers of the judicial police because when one has his own units, he can make better use of them. The judicial police activities greatly assist the intelligence work where the results are more easily seen. We already found a solution to what may be a deficiency caused by the loss of those powers through an integration of work with the Prosecutor General's Office. That office will be in charge of those duties, so I do not think the ruling makes any difference. Maybe it is better this way.

[El TIEMPO] Are the charges that Attorney General's Office torpedoed military operations and the general friction with that office over?

[Gil Bermudez] When misunderstandings arise, some actions may cause someone to feel hurt. From an institutional standpoint, relations are great now.

We now need to gain an awareness and become more knowledgeable about each institution and what job it performs. The Attorney General's Office is regarded as an institution that supports our actions, but it also outlines for us the limits within which we must act.

### Justice Ministry Issues Communique on Prison Guards

*PA0303210793 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 3 Mar 93*

[Text] The Justice Ministry has issued a communique reporting that the National Penitentiary Guard and the National Police will reinforce the Army in guarding the Itagui Jail by taking over surveillance, identification of individuals, and searches.

### Police Arrest Medellin Cartel Member in Cucuta

*PA0403032393 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 4 Mar 93*

[Report by Gilberto Buitrago]

[Text] On 3 March Medellin Cartel member Hugo Jaramillo Buitrago, alias Mantequillo, was arrested by Regional Prosecutor's Office personnel in Cucuta, near the border with Venezuela. Mantequillo was a lieutenant under Hernan Henao, alias HH, and Carlos Alzate Urquijo, alias Arete, who recently surrendered to authorities.

When he was arrested, Jaramillo Buitrago was driving a Chevrolet with a Venezuelan license plate just a few meters away from the San Antonio border community. Mantequillo is 37 and a native of Sonsoy. The Medellin and Santa Fe de Bogota prosecutor's offices have pending arrest warrants against him on murder and drug trafficking charges. According to government intelligence sources, Medellin Cartel members are going to Cucuta to attempt to cross the border to Venezuela.

## Paraguay

### Argana Agrees To Step Down From Colorado Executive Board

*PY0303192593 Asuncion Radio Nacional del Paraguay in Spanish 1710 GMT 3 Mar 93*

[Speech by Colorado Party presidential hopeful Luis Maria Argana at his Asuncion headquarters—live]

[Excerpts] We have accepted fraud, cheating, and electoral results that do not reflect the peoples' will in the hopes that the Coloradas who were Executive Board members would be somewhat modest, that they would have some respect for the citizenry. But we find we are faced with a brutal majority, a majority that does not respect law, that does not respect party statutes, and that does not respect the peoples' legitimate right to freely express their will. [passage omitted]

Fellow partisans: [words indistinct] I will fulfill with honor, pleasure, and great satisfaction, out of respect for all Colorado Party members, the noble gesture of this meeting that on three occasions has expressed its sovereign decision to resign from the Colorado Party Executive Board. [applause]

You may rest assured that our movement will reward this noble gesture, which we have had in mind many times before, now that we have run out of patience due to the violation of the citizens' rights, the electoral court, the Electoral Code, the constitutional law, and the warrants. Only the worthy people are free people and capable of overcoming the developments of history. [applause]

Fellow partisans: I wish to end by stating that I will fulfill the mandate you have entrusted me with honor. Thank you. [applause]

### Editorial Views Colorado Party Internal Crisis

*PY0303011993 Asuncion NOTICIAS in Spanish 2 Mar 93 p 12*

[Editorial: "Aggravation of the Crisis"]

[Text] The special convention of the ruling party does not seem to have solved the critical internal problem which affects this political organization. On the contrary, it seems to have aggravated it. The defeated movement does not accept the result of the convention, much less consider legitimate the election of an Electoral Court which from every point of view is politically biased.

Everything leads us to suppose that this week the confrontation between the movements will be intensified with a virulence even stronger than that experienced in the past few days. The consequences will by no means be wholesome for the consolidation of the political process and for the happy accomplishment of the 9 May elections.

The problem seems to be truly unsolvable. If the main political protagonist of those elections is disorganized and smashed to pieces, no one can imagine that the elections will be genuinely representative of the most important forces behind which congregate most Paraguayan citizens. The novel proposal of a lemas electoral system, which was submitted by the executive branch to the national Congress, is not an ideal solution either because it openly clashes with constitutional precepts—especially if we understand that the electoral laws govern a game in which all parties seek to dominate the political competition, yet which does not favor any one of them.

What solution can be adopted? It is difficult to venture predictions within an environment heated by the struggle between the factions. But at this point, it seems that even the electoral timetable is under consideration. Within this context, the very process of building the state of law seems to be submitted to uncontrollable pressures.

Meanwhile, the government seems to be submerged in alarming confusion, an abnormal situation that conspires against normal institutional development. Hasty and farfetched measures are being adopted; there are poor or late reactions to problems; and the very principle of authority is weakened. Nothing good can emerge under these conditions in a country which seems to have lost direction and is sailing under the embarrassing flag of continuous improvisation.

Perhaps the time has come for all sectors of opinion to sit at a negotiation table and openly discuss the need to strengthen the process. But this goal requires, as a prior and unpostponable step, the recovery of the normal pace of development of the process. It demands the quest for a general consensus which no longer envisages the internal movements of the ruling party alone, but must go beyond them to the point of committing all political forces of the nation in an ultimate and supreme effort to guarantee the definite accomplishment of the state of law.

### Court Injunctions Add 'More Confusion' to Colorado Crisis

*PY0303205693 Asuncion NOTICIAS in Spanish 3 Mar 93 p 3*

[Text] Two court injunctions issued yesterday by different judges have added more confusion to the already complex Colorado Party problem. The injunctions apparently contradict each other: One issued by Judge Angel Barchini allows party representatives to oversee the work conducted by the party electoral board, while the other issued by Judge Oscar Rodriguez Kennedy virtually empowers the Colorado Party electoral board chairman to decide who may enter Colorado party headquarters.

The injunctions were granted yesterday and relate to the work being conducted by the Colorado Party electoral board, made up of Wasmosy followers appointed during the extraordinary convention on 27 February. They caused great confusion amidst the serious crisis affecting the Colorado party.

At the request of Argana's followers, Judge Angel Barchini went personally to the Colorado Party headquarters and ordered free access for representatives of all the Colorado party movements that participated in the party primary to oversee the work conducted by the party electoral board.

Judge Oscar Rodriguez Kennedy approved an injunction request submitted by Carlos Raul Noguera, chairman of the Colorado Party Electoral Board. Judge Kennedy ordered Asuncion Police Chief German Franco Vargas to provide the necessary guarantees for normal party electoral board activities. The note was submitted to the police chief's office and taken to the Colorado Party headquarters by Vice Minister of Interior Ruben Villalba Cataldi.

Luis Gonzalez Macchi, an Argana-Ybanez movement leader, said that Judge Rodriguez Kennedy's decision contradicts the one issued by Judge Barchini because Rodriguez Kennedy's decision empowers Electoral Board Chairman Carlos Raul Noguera to decide who may enter the building. While Judge Angel Barchini's ruling authorizes representatives of all four party movements that participated in the party primary to oversee the work conducted by the party electoral board, Rodriguez Kennedy's decision empowers the electoral board chairman to decide who may enter the building.

Argana movement leaders have said that the situation created since the installation of the party electoral board remains virtually unchanged. They added that the electoral board will continue to work under complete secrecy and the different party movements will be unable to oversee its activities.

### Colorado Party Deputy Gonzalez Prieto Dies

*PY0303232893 Asuncion HOY in Spanish 1 Mar 93 p 6*

[Excerpt] Colorado Party Deputy Antonio Gonzalez Prieto, 64, died of a heart attack in Asuncion on 28 February. He was a member of the Chamber of Deputies Agriculture, Livestock, Land Reform, Municipal Affairs, Ecology and Environment Committee. [passage omitted]

## Peru

### Foreign Ministry Denies Charges of Embezzlement

*PY0303200293*

[Editorial Report] The 13 February edition of Lima EXPRESO in Spanish, on pages A2-A3, carries a 450-word report on alleged embezzlement of funds at the Peruvian Foreign Ministry.

The article refers to a preliminary report delivered by Mario Pareja Lecaros, who was relieved a few weeks ago from his post as Foreign Ministry inspector general, to Manuel Augusto Blacker Miller, who was foreign minister at the time, that stated about $16 million obtained between 1986 and 1991 by the Foreign Ministry in consular fees was embezzled.

Lima EXPRESO in Spanish on 13 February, on page A3, carries the 150-word text of Foreign Ministry Communique No. 8, dated 12 February, denying any alleged embezzlement of funds and noting that these charges are part of an orchestrated campaign to discredit Foreign Ministry officials.

## APRA's 'Critical' Views of Party Noted

*PY0403010493*

[Editorial report] Certain sectors of the American Popular Revolutionary Alliance, APRA, have expressed a critical view regarding the current leadership of the party, just a few days before APRA celebrates its traditional friendship day, on which it holds a convention.

Lima EXPRESO in Spanish on 12 February carries on page A6 a 500-word unattributed article in which former APRA Deputy Hector Vargas Haya rejects the national meeting to discuss party programs organized by APRA leader Armando Villanueva. Vargas and other APRA leaders have suggested instead "holding a special congress to analyze the APRA situation and hear demands for renewal. Faced with the rejection by current APRA leaders for holding this special congress, APRA youth—headed by Eduardo Salazar Penaloza—has decided to hold, as of March, national debates on the party ideals and programs." Salazar Penaloza does not believe in either the guilt or innocence of former President Alan Garcia. He said: "His innocence or guilt must be decided by a court, but by an independent judicial branch, not like the current one, which is controlled by the executive branch."

The same newspaper on 15 February carries on page A6 a 350-word unattributed article in which APRA leader Jorge Astete criticizes the APRA leadership for "not having responded with solid and consistent arguments to the observations by the renewal faction which questions the structural crisis of the party." Astete says he is part of an APRA group that is preparing documents with new proposals. He says that concepts like "imperialism" and "anti-imperialism" must be reconsidered because they have changed since they were coined in 1924. He adds that the party has lost its representation among the productive class.

The same newspaper on the same day carries on page A23 a 500-word article by Patricio Ricketts Rey de Castro on the need to reconstruct the party, making it open and truly representative. He states: "Uncontaminated" APRA members, particularly the youth, are willing to begin the clean-up task. They want to act and will not be kept from participating. "The main premise of this renewal movement is the estrangement of Alan Garcia and everything he represents. Young APRA members do not want him pardoned; they want him tried." This trial has already taken place in Peru at a political level. The APRA does not dare to compete for seats in the Democratic Constituent Congress and had a poor showing at the last general elections, obtaining only 3.5 percent of the votes in Lima and winning only in four capitals in the rest of the country.

The same newspaper on 17 February carries on page A9 a 250-word unattributed article in which Juan Luna Rojas, secretary general of the powerful Confederation of Peruvian Workers, demands the immediate resignation of the current APRA leadership, starting with Alan Garcia, "for a lack of moral authority." He says that a new alternate emergency leadership should take command, headed by Hector Vargas Haya, before the APRA commemorates its friendship day on 22 February otherwise it will be a day of "unfriendliness."

## Dincote Arrests 6 'Terrorists' in Pozitos Area

*PA0403034193 Lima Global de Television Network in Spanish 0000 GMT 4 Mar 93*

[Text] The Counterterrorism National Directorate [Dincote] arrested six terrorists early 3 March, following a swift action by the special search operation in the Pozitos area, San Martin de Porres. Four of those arrested are responsible for the cowardly murder of Captain Marco Velasquez Colchado.

## National Human Rights Commission Created

*PA0303153093 Lima Global de Television Network in Spanish 0000 GMT 3 Mar 93*

[Text] A commission headed by Justice Minister Fernando Vega Santa Gadea will meet every month with the National Human Rights Coordinating Board [Coordinadora Nacional de Derechos Humanos] to review reports on human rights violations.

Interior Minister Juan Briones Davila made the announcement before the congressional Human Rights Commission.

After saying that terrorist groups are the main violators of human rights in Peru, Briones stated that criticisms made by the international community against the government's human rights policy are the result of disinformation, promoted by the so-called ambassadors of terror. He added that this disinformation ignores the investigations and punishment of public forces members and of authorities who have committed abuses or excesses.

Within the framework of absolute respect for human rights, the Executive Branch has adopted certain measures, including the creation of a national human rights commission under the authority of the interior minister. This organization will be in charge of receiving and investigating at a national level reports on human rights violations by police agents. Briones said that based on an agreement with the Inter-American Development Agency [as heard], a national registry of detainees involved in cases of terrorism has been created. This registry is kept at the Attorney General's Office and the information is supplied by the Interior Ministry.

Briones referred to the creation of a commission that will meet with the National Human Rights Coordinating Board.

[Begin Briones recording] A commission headed by the justice and interior ministers, the attorney general, the Supreme Court of Justice president, and the State

Defense Council president will meet with the National Human Rights Coordinating Board president to discuss reports on violations.

Mr. chairman, I would like to say that we will continue to fight terrorism. The state is committed to attaining peace in Peru by 1995. We will work firmly toward attaining this goal, with as much professionalism and determination as our country demands from us. We will continue our efforts through a national strategy for peace. This great national strategy for peace will be based on the state's total respect for human rights. [end recording]

### Foreign Debt Operations With U.S., Japan Approved

*PA0303223593 Lima Radio Programas del Peru Network in Spanish 1700 GMT 3 Mar 93*

[Text] The Economy and Finance Ministry has approved two foreign debt operations with the U.S. Treasury and Japan's Export-Import Bank. The $950 million debt operations aim to settle overdue payments to the International Bank for Reconstruction and Development.

The debt operation with the U.S. Treasury amounts to $500 million. The payment to Japan's Export-Import Bank is for $450 million.

### Delegation To Attend Cartagena Agreement Meeting

*PA0403032693 Lima Global de Television Network in Spanish 0100 GMT 4 Mar 93*

[Text] Alfonso Bustamante, industry, tourism, commerce, and integration minister, took an Avianca flight to Santa Fe de Bogota with his deputy integration minister, Eduardo McBride, Exporters Association president, and one representative of the National Industrial Association. They will attend as observers the 49th period of sessions of the Andean Commission of the Cartagena Agreement Board. During the meeting, the participants are expected to approve four levels of tariffs for the Andean Pact.

[Begin recording] [Bustamante] There is a very important point on the deregulation of transportation in the Andean area. This point is of great interest to Peru. We have already announced we clearly support the process to deregulate the system of land, maritime, and air transportation in the Andean Pact.

[Unidentified Reporter] What are the immediate benefits for Peru?

[Bustamante] The benefits are clear, as this means the trucks of every country will be able to drive freely through all the other countries.

[Reporter] What are some immediate advantages for Peru?

[Bustamante] As you know, Peru has suspended its participation in the Andean Pact actions for 1993, which means we have no say in decisions. We are very glad, however, a step was taken to implement common external tariffs. According to Decision 321 of the Cartagena Agreement, our functions in the Andean Pact are suspended. We are going to participate in organizational matters, however, which means we are not participating in the topic of the common external tariffs. [end recording]